*People • Partnerships • Knowledge*

# Human Resources and Social Development Canada

## 2007 – 2008 Estimates

## A Departmental Performance Report

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# Ministers' Messages

## Message from the Minister of Human Resources and Skills Development

Preparing for the future means helping Canadians acquire the best education and the right skills for quality jobs, helping them participate actively in the workforce and in their communities. The Departmental Performance Report for 2007–2008 for Human Resources and Social Development Canada (HRSDC)* outlines key measures that support Canadians in realizing their potential.

Education is vital in helping Canadians acquire skills, adapt to change and improve their quality of life. That is why the Government of Canada introduced significant enhancements to student financial assistance such as the new Canada Student Grant to help students from low- and middle-income families and a new repayment plan to help students pay back their student loans.

Being competitive in today's economy means having the skills and training to adapt to a changing global market. To this end, we have also been working with the provinces and territories on labour market agreements to help individuals who are unable to access training under current Employment Insurance programs, and encourage employers to provide more training to their workers.

We continue to support parents in balancing their work and family responsibilities through the Universal Child Care Benefit. As well, we are providing funding to the provinces and territories to help support the creation of tens of thousands of new child care spaces across the country.

I am proud of these measures. And I care deeply that we are helping raise awareness of elder abuse and fraud. Thanks to investments under Budget 2008, we are supporting community-based programs for seniors, through projects such as New Horizons for Seniors.

Last year, through 620 points of service, we served more than 32 million Canadians and provided more than $78 billion in Employment Insurance benefits, seniors' pensions and other direct benefits to Canadians.

The policies, programs and services of HRSDC provide the tools Canadians need to make the right choices for their families, helping them face life's challenges and build a better and stronger future.

**The Honourable Diane Finley, P.C., M.P.**
*Minister of Human Resources and Skills Development*

* On October 30, 2008, the name of the department was changed to Human Resources and Skills Development Canada.

# Message from the Minister of Labour

A healthy workplace lays the foundation for a productive workforce and strong economy. It also ensures that employees and employers enjoy positive working environments in which they can thrive.

The Labour Program plays an integral role in ensuring Canada's workplaces are fair, safe and productive. We deliver programs and services to improve workplaces and to protect the well-being of employees and employers, helping these groups to foster positive relations. Beyond Canada's borders, we work with our international partners to support and promote fundamental labour rights and standards globally.

In the past year, continued efforts brought positive change and progress to Canadian work environments. The Departmental Performance Report for 2007–2008 describes the Labour Program's most recent successes in improving the workplace.

Some of the most notable accomplishments in the past year include the introduction of the new job-protection legislation to support Canadian reservists and the coming-into-force of the Wage Earner Protection Program, which will ensure employees are compensated when an employer declares bankruptcy or is subject to receivership.

In support of our commitment to making workplaces safer, the Labour Program has taken steps to prevent workplace injury and illnesses through new regulatory provisions related to ergonomic hazards. New violence prevention regulations were adopted, making it clear that acts of violence will not be tolerated in the workplace. In support of fostering positive relations between employees and employers, mediators and conciliators have continued to assist these groups in achieving constructive settlements to labour disputes, helping to prevent costly and disruptive work stoppages.

Internationally, the Labour Program has continued to reach out to global partners, encouraging improved living and working conditions through Labour Cooperation Agreements and other accords. Here at home, ongoing collaboration with provincial and territorial partners is helping to improve the workplace for all Canadians.

In the coming year, the Labour Program will continue to strive towards our goal of advancing Canada's social and economic development, ensuring Canada continues to be both competitive and prosperous in a global economy.

**The Honourable Rona Ambrose, P.C., M.P.**
*Minister of Labour*

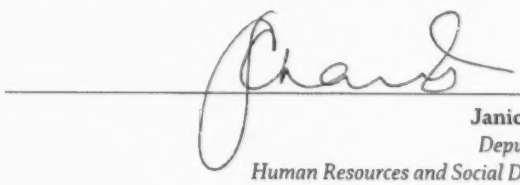
# Management Representation Statements

## Human Resources and Social Development Canada

I submit for tabling in Parliament, the 2007 – 2008 Departmental Performance Report for Human Resources and Social Development Canada.

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2007 – 2008 Estimates: Reports on Plans and Priorities and Departmental Performance Reports*.

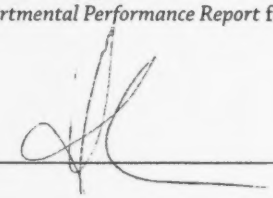
- It adheres to the specific reporting requirements outlined in the Treasury Board Secretariat guidance;
- It is based on the Department's Strategic Outcomes and Program Activity Architecture that were approved by the Treasury Board;
- It presents consistent, comprehensive, balanced and reliable information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved numbers from the Estimates and the Public Accounts of Canada.



**Janice Charette**
*Deputy Minister*
*Human Resources and Social Development*

## Labour and Service Canada

To the best of my knowledge, the results achieved in support of the Labour Program and Service Canada are presented in a complete, accurate and balanced manner in the *2007–2008 Departmental Performance Report* for Human Resources and Social Development Canada.



**Hélène Gosselin**
*Deputy Minister of Labour*
*Deputy Head of Service Canada and Associate Deputy Minister*
*of Human Resources and Social Development*

# Section I Overview

## Human Resources and Social Development Canada

# Departmental Overview

## Introduction

This document reports on the performance of Human Resources and Social Development Canada for the period from April 1, 2007 to March 31, 2008. It reports on the Department's achievements related to the commitments set out in the 2007–2008 Report on Plans and Priorities.

This section provides a departmental overview, including a brief description of the socio-economic environment, and a summary of departmental performance. Section II includes detailed performance results information by strategic outcome. The financial tables and information concerning the specified purpose accounts are in Section III, and Section IV provides more details on programs and the consolidated financial statements.

To deliver on its mandate, the Department provides programs and services to millions of Canadians. This includes providing income support through legislated pension benefits, temporary income support during periods of unemployment, and employment programs that enable Canadians to prepare for, find and keep employment. The Department promotes lifelong learning by encouraging skills development in workplaces and by developing and disseminating information about the labour market. Human Resources and Social Development Canada also financially invests in learning to facilitate access to post-secondary education and adult learning opportunities, and reduce barriers to adult learning and literacy and early childhood development. The Department's social and labour market policies and programs help to ensure that children and families, seniors, persons with disabilities, homeless persons, communities, and others who face barriers have the support and information they need to maintain their well-being and participate fully in society and the workplace.

The Labour Program works to ensure safe, fair and productive workplaces and cooperative workplace relations, as well as effective international labour standards. To achieve these ends, it promotes occupational health and safety, respect for labour standards, and workplace equity through a coast to coast network of labour affairs officers. It also administers fire protection services on behalf of Treasury Board of Canada and conducts research and analysis on labour and workplace issues. As well, the Labour Program publishes a full range of industrial relations data, information, and developments in labour law; and manages Canada's international labour affairs.

Service Canada provides one stop access to services of Human Resources and Social Development Canada and a number of other federal departments. It builds on best practices in service excellence found within Canada and abroad and builds on over a decade of work within the Government of Canada to improve the delivery of service to Canadians. The Service Canada delivery network brings together close to 620 points of service in communities throughout Canada; a national 1 800 O-Canada telephone service providing Canadians with information about federal government services and 23 other networked call centres; benefits processing infrastructure and, a range of on-line services at http://www.servicecanada.gc.ca/en/home.html.

Human Resources and Social Development Canada's programs and services are designed to achieve results across a broad range of social and labour market outcomes. Five strategic outcomes form the structure for reporting plans, priorities and resources in this report:

**"Policies and programs that meet the human capital and social development needs of Canadians"**

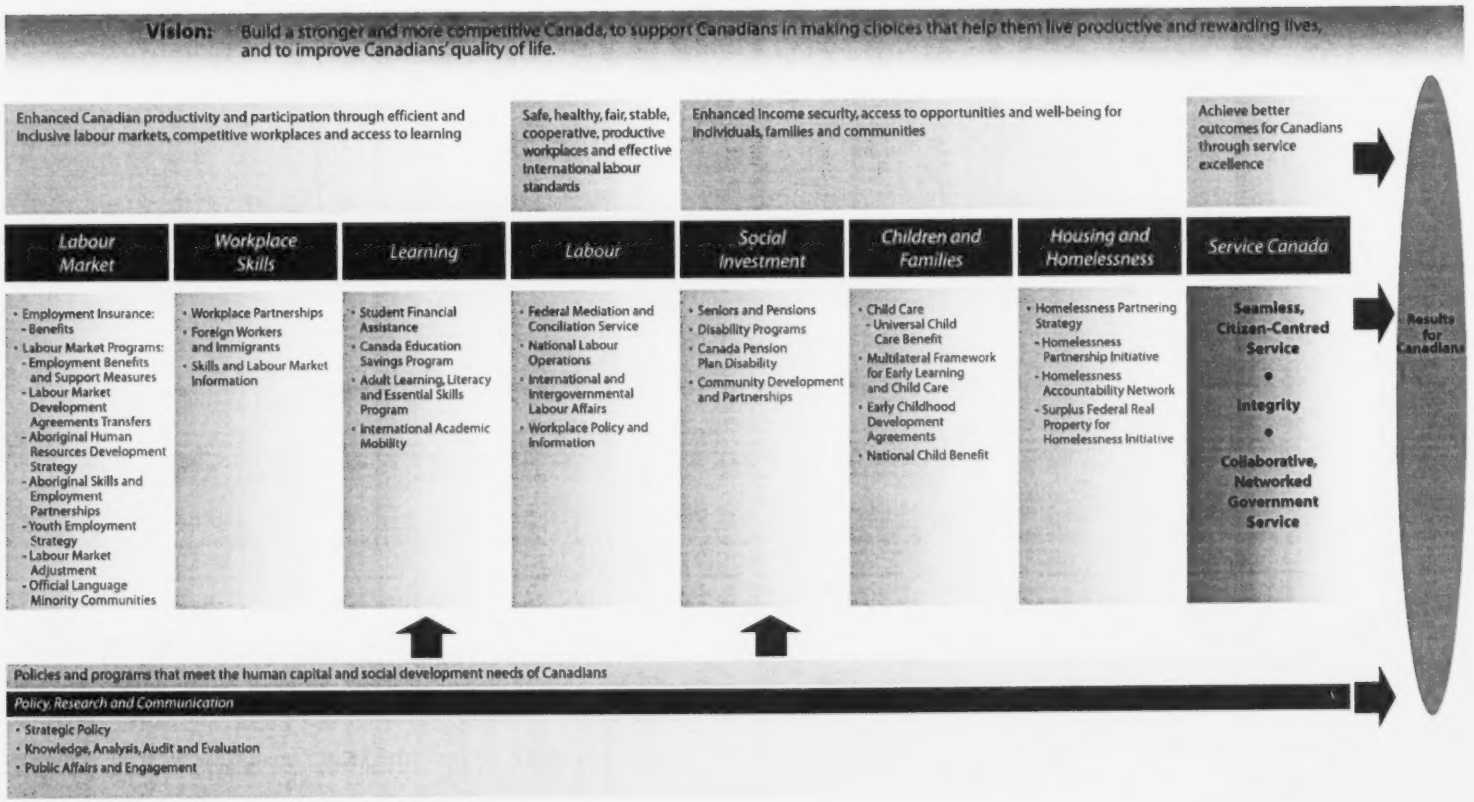
**"Enhanced Canadian productivity and participation through efficient and inclusive labour markets, competitive workplaces and access to learning"**

**"Safe, healthy, fair, stable, cooperative, productive workplaces and effective international labour standards"**

**"Enhanced income security, access to opportunities, and well-being for individuals, families and communities"**

**"Achieve better outcomes for Canadians through service excellence"**

## DEPARTMENT OF HUMAN RESOURCES AND SOCIAL DEVELOPMENT • PROGRAM ACTIVITY ARCHITECTURE


Vision: Build a stronger and more competitive Canada, to support Canadians in making choices that help them live productive and rewarding lives, and to improve Canadians' quality of life.
Enhanced Canadian productivity and participation through efficient and inclusive labour markets, competitive workplaces and access to learning
Safe, healthy, fair, stable, cooperative, productive workplaces and effective international labour standards
Enhanced income security, access to opportunities and well-being for individuals, families and communities
Achieve better outcomes for Canadians through service excellence
Labour Market
Workplace Skills
Learning
Labour
Social Investment
Children and Families
Housing and Homelessness
Service Canada
• Employment Insurance:
- Benefits
• Labour Market Programs:
- Employment Benefits and Support Measures
- Labour Market Development Agreements Transfers
- Aboriginal Human Resources Development Strategy
- Aboriginal Skills and Employment Partnerships
- Youth Employment Strategy
- Labour Market Adjustment
- Official Language Minority Communities
• Workplace Partnerships
• Foreign Workers and Immigrants
• Skills and Labour Market Information
• Student Financial Assistance
• Canada Education Savings Program
• Adult Learning, Literacy and Essential Skills Program
• International Academic Mobility
• Federal Mediation and Conciliation Service
• National Labour Operations
• International and Intergovernmental Labour Affairs
• Workplace Policy and Information
• Seniors and Pensions
• Disability Programs
• Canada Pension Plan Disability
• Community Development and Partnerships
• Child Care
- Universal Child Care Benefit
• Multilateral Framework for Early Learning and Child Care
• Early Childhood Development Agreements
• National Child Benefit
• Homelessness Partnering Strategy
- Homelessness Partnership Initiative
- Homelessness Accountability Network
- Surplus Federal Real Property for Homelessness Initiative
Seamless, Citizen-Centred Service
•
Integrity
•
Collaborative, Networked Government Service
Results for Canadians
Policies and programs that meet the human capital and social development needs of Canadians
Policy, Research and Communication
• Strategic Policy
• Knowledge, Analysis, Audit and Evaluation
• Public Affairs and Engagement

# Departmental Overview

## Introduction

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**"Enhanced income security, access to opportunities, and well-being for individuals, families and communities"**

**"Achieve better outcomes for Canadians through service excellence"**

# Mandate

On February 6, 2006, Human Resources and Skills Development Canada and the former Social Development Canada were consolidated into the Department of Human Resources and Skills Development to be styled Human Resources and Social Development. The powers, duties and functions of the Minister of Social Development were transferred to the Minister of Human Resources and Skills Development, and the Minister was styled as Minister of Human Resources and Social Development. The Minister was also made responsible for the Canada Mortgage and Housing Corporation. Further, a Secretary of State for Seniors was appointed on January 4, 2007.

Until new legislation is enacted, the Minister will rely on the provisions of the *Department of Human Resources and Skills Development Act* and the *Department of Social Development Act* for specific authorities.

The *Department of Human Resources and Skills Development Act* defines the powers, duties and functions of the Minister of Human Resources and Skills Development, the Minister of Labour, and of the Canada Employment Insurance Commission. The legislative mandate of Human Resources and Skills Development is to **improve the standard of living and quality of life of all Canadians by promoting a highly skilled and mobile labour force and an efficient and inclusive labour market**. The Minister of Human Resources and Skills Development has overall responsibility for the employment insurance system, while the administration of the *Employment Insurance Act* is the responsibility of the Canada Employment Insurance Commission.

The *Department of Human Resources and Skills Development Act* provides for the appointment of a Minister of Labour who is responsible for the *Canada Labour Code* and the *Employment Equity Act*, as well as other legislation on wages and working conditions. The departmental statute provides that the Minister of Labour make use of the services and facilities of the Department. The Act also sets out the mandate of the Minister of Labour to **promote safe, healthy, fair, stable, cooperative and productive workplaces**.

The *Department of Social Development Canada Act* defines the powers, duties and functions of the Minister of Social Development. The mandate of Social Development Canada is to **promote social well-being and security**. In exercising the power and performing the duties and functions assigned by this Act, the Minister is responsible for the administration of the Canada Pension Plan, the *Old Age Security Act* and the *Universal Child Care Benefit Act*.

Service Canada operates within the legislative mandate and framework of the current departmental legislation. Its mandate is to work in collaboration with federal departments, other orders of government and community service providers to bring services and benefits together in a single service delivery network.

On June 1, 2006, the Policy Research Initiative was integrated into the Human Resources and Social Development Canada portfolio. It leads horizontal research projects in support of the medium-term policy agenda of the Government of Canada and identifies data needs and priorities for future policy development.

# 2007–2008 Expenditure Profile

Human Resources and Social Development Canada expenditures on programs and services total more than $84 billion, of which $78 billion, or almost 93%, directly benefits Canadians through Employment Insurance, the Canada Pension Plan, Old Age Security, Universal Child Care Benefit, loans disbursed under the *Canada Student Financial Assistance Act* and other statutory transfer payment programs. Departmental expenditures were $1.0 billion in voted grants and contributions; $35.4 billion in statutory grants and contributions; and $2.1 billion for *Employment Insurance Part II*.

**Diagram** 2007–2008 Expenditure Profile
Consolidated Total $84,504.4M

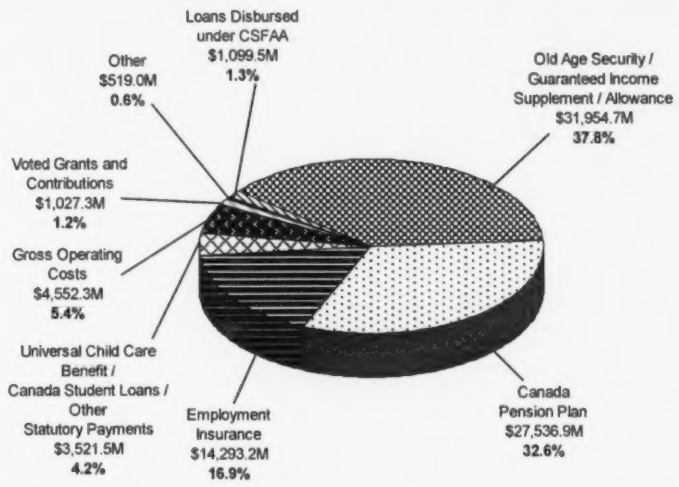


**Table 1** Human Resources and Social Development Canada (millions of dollars)

| Human Resources and Social Development Canada Gross Expenditures | | |
|---|---|---|
| **Budgetary** | | |
| Net operating costs | | 2,862.7 |
| Add recoveries in relation to: | | |
| Canada Pension Plan | 247.4 | |
| Employment Insurance Account | 1,342.8 | |
| Workers' Compensation | 96.4 | |
| Other Government Departments | 3.0 | 1,689.6 |
| Gross Operating Costs | | 4,552.3 |
| Voted Grants and Contributions | | 1,027.3 |
| **Total Gross Expenditures** | | **5,579.6** |
| Other – Workers' Compensation and EI/CPP Charges and Recoveries | | 519.0 |
| Non-Budgetary | | |
| Loans disbursed under *Canada Student Financial Assistance Act* (CSFAA) | | 1,099.5 |

| Statutory Transfer Payments | | |
|---|---|---|
| **Grants and Contributions** | | |
| Old Age Security | | 24,029.8 |
| Guaranteed Income Supplement | | 7,406.7 |
| Allowances | | 518.2 |
| Other Statutory Payments | | |
| Universal Child Care Benefit | 2,474.3 | |
| Canada Education Savings Grant | 579.7 | |
| Canada Student Loans | 386.4 | |
| Canada Learning Bond | 35.8 | |
| Energy Cost Benefits | 0.1 | 3,476.3 |
| Sub-total | | 35,431.0 |
| Canada Pension Plan Benefits | | 27,536.9 |
| Employment Insurance Benefits | | |
| Part I | 12,197.2 | |
| Part II | 2,096.0 | 14,293.2 |
| Other Specified Purpose Accounts | | 45.2[a] |
| Total Statutory Transfer Payments | | 77,306.3 |

[a] This amount includes payments related to Government Annuities Account and Civil Service Insurance Fund.

# Socio-Economic Year in Review

This section provides an overview of the socio-economic context for 2007, covering the broad macroeconomic and social indicators that are of interest to Human Resources and Social Development Canada. The issues that were facing the Canadian economy and labour market in 2006 became even more pronounced during 2007. Economic growth was strong, with that growth coming from strong employment gains and modest productivity growth. The sources of growth have been shifting west in response to high commodity (especially energy) prices, and the capacity of the economy to grow is becoming constrained by available labour supply, despite inter-provincial migration towards fast-growing provinces.

## The Canadian economy performed well in 2007

Canada's economy grew by 2.7 percent in 2007, slightly slower than in 2006 but still a robust pace. In contrast, in 2007, the real Gross Domestic Product the United States grew by 2.2 percent, down markedly from a gain of 2.9 in 2006. In both countries, growth slowed considerably in the last quarter of 2007. Economic growth in Canada continued to be supported by strong domestic demand, led by consumer spending on goods and services and business investment, and combined with a higher Canadian dollar, helped imports to grow much faster than exports and led to a deteriorating trade balance in goods and services. The Canadian dollar broke parity with the American dollar for the first time since 1976. On November 6, 2007 the Canadian dollar closed at 108.52 cents U.S., the highest in recent years and subsequently has hovered about parity.

## Employment continued to advance strongly

Employment advanced at a rate of 2.3 percent (380,000 jobs) in 2007, outpacing growth in 2006. Despite more pronounced concerns about growth being constrained by labour force availability, the labour force responded to the demand in the short term. The participation rate for those aged 15-64 reached an all-time record of 78.4 percent and the labour force advanced at a healthy 2.0 percent in 2007. The unemployment rate declined to a 33-year low of 6.0 percent, and people unemployed a year or more fell to 7.1 percent of all unemployed in 2007, its lowest share since 1982. Canada has had the lowest share of long-term unemployed among the G-7 countries for several years.

## Alberta and British Columbia led the employment growth, while unemployment rates were at their lowest in almost all provinces

Overall, the economy benefited from high commodity and energy prices. However, these major price changes have had quite different impacts on particular sectors and regions. While all provinces experienced employment gains in 2007, and most had unemployment rates at or near their lowest levels on record, large provincial differences in unemployment rates persisted, from 3.5 percent in Alberta to 13.5 percent for Newfoundland and Labrador. The combination of the high energy and material input costs, the high value of the Canadian dollar, and the high level of competition from emerging economies led to another cycle of considerable weakness in the manufacturing sector. Canada has joined the almost world-wide trend of economies losing manufacturing jobs.

Despite substantial job declines, the unemployment rate in the manufacturing sector has remained low over the last few years, indicating that many displaced workers have been able to adjust. Employment data indicate that for every manufacturing job lost over the last five years, five jobs have been created in growth sectors of the economy such as mining, oil and gas extraction and construction.

## Standard of living of Canadians continued to rise, but the gap with the United States persisted

The standard of living of Canadians, measured by real Gross Domestic Product per person, rose by 1.7 percent during 2007, the lowest rate of growth since 2003. In 2007, Gross Domestic Product per capita stood at about $40,070 (2002 constant Canadian dollars), up from $31,900 in 1997. Sluggish labour productivity growth has resulted in Canada's real Gross Domestic Product per capita falling behind the U.S., especially since 2000.

## The low-income rate remains unchanged for most family types

Earnings gains were not evenly distributed and poverty was an ongoing issue, often best measured by how many families fall below a particular income level and by how much. In 2006, an estimated 633,000, or 7.0 percent,

of all Canadian families were below the Statistics Canada after-tax 'Low-Income Cut-Off '. Families in low-income needed an average of $7,000 to bring their income above the cut-off. Female lone-parent families experienced an 11.2 percentage point decline in their low-income rate between 2002 and 2006, reflecting sustained increases in the earnings and in the proportion of earners among lone mothers. Despite these gains, the incidence of low-income among female lone-parent families remains more than four times as high as that of two-parent families with children.

## But the gap between the lowest- and highest-income families and between the ones with the lowest and highest net worth is wider

The difference in post-income tax income (adjusted for family size and composition) between the top and bottom 20 percent of families widened during the past decade. While this gap fluctuated between 1990 and 1996, by 2006 it had reached $60,300. Though all income groups benefited from the positive economic conditions that have prevailed since the mid 1990s, the largest dollar gains were for the top 20 percent since they started from a much higher base. But, evidence suggests that most of the gains observed among the top 20 percent of families benefited only the top 1 percent. The median net worth of families in the top 20 percent of the wealth distribution also increased – by 19 percent between 1999 and 2005 – while the net worth of their counterparts in the bottom 20 percent remained virtually unchanged.

## The make up of Canadian communities

The latest Census data confirm that Canadians are becoming more urbanized and diverse. In particular, according to the 2006 Census more than 81 percent of the Canadian population lived in urban centres of 10,000 people or more, up from 76 percent in 1971, and about 68 percent lived in communities located within the nation's 33 census metropolitan areas. International migration continued to be the major population driver of large urban centres with nearly 63 percent of all immigrants living in Toronto, Montreal or Vancouver in 2006 compared to 52 percent in 1981. With increased immigration and the tendency of most recent immigrants to have a mother tongue other than English or French, the share of this sector of the population has also grown from 18% in 2001 to 20% in 2006.

## 2007–2008 Summary Table

Human Resources and Social Development Canada's vision is to build a stronger and more competitive Canada, to support Canadians in making choices that help them live productive and rewarding lives, and to improve Canadians' quality of life.

**Financial Resources (Gross) (millions of dollars)**

| Planned Spending | Authorities | Actual |
|---|---|---|
| 84,700.4 | 84,867.4 | 84,504.4 |

**Human Resources (Full-time Equivalents)**

| Planned Spending | Actual | Difference |
|---|---|---|
| 23,437 | 23,168 | 269 |

## 2007–2008 Departmental Priorities Summary Table

| Name | Type[1] |
|---|---|
| **Our Commitment to Canadians:**<br>Support children, families and seniors<br>Promote skills and learning<br>Provide service excellence | Ongoing |
| **Our Commitment to Taxpayers:**<br>Accountability and effective spending | Ongoing |
| **Our Commitment to Employees:**<br>Workplace of opportunity | Ongoing |

[1] Type: The priority is identified as either new; ongoing; or previously committed to

## Program Activities by Strategic Outcome

| Expected Results (millions of dollars) | 2007-2008 Planned Spending | 2007-2008 Actual[c] |
|---|---|---|
| **Strategic Outcome: Policies and programs that meet the human capital and social development needs of Canadians** | | |
| Program Activity – **POLICY, RESEARCH AND COMMUNICATION** | 197.5 | 199.3 |
| **Strategic Outcome: Enhanced Canadian productivity and participation through efficient and inclusive labour markets, competitive workplaces and access to learning** | | |
| Program Activity – **LABOUR MARKET**<br>•Unemployed Canadians who qualify under the *EI Act* are supported while they look for work, facilitating a smooth, and effective labour market transition<br>•Individuals are able to balance work and family responsibilities<br>•A resilient and adaptable workforce with smooth labour market transitions between school and work and between unemployment and reemployment<br>•Challenges of a changing labour market are mitigated through new strategies: such as for older workers<br>•Employers who are able to find skilled workers and thus improve their productivity and competitiveness<br>•Improved labour market outcomes for Aboriginal Canadians | 15,406.7 | 14,908.3 |
| Program Activity – **WORKPLACE SKILLS**<br>•Better understanding of workplace-related learning and needs by all stakeholders<br>•Enhanced utilization of existing skills in labour market<br>•Increase Pan-Canadian consistency of skills recognition processes and requirements<br>•Increased commitment of stakeholders towards workplace-related learning | 213.7 | 139.4 |
| Program Activity – **LEARNING**<br>•Reduced financial barriers to participation in post-secondary education<br>•Reduced non-financial barriers to participation in adult learning<br>•Increased awareness of the benefits of lifelong learning and literacy<br>•Increased access to international education | 2,100.0 | 2,283.8 |
| **Sub-Total** | **17,720.4** | **17,331.5** |
| **Strategic Outcome: Safe, healthy, fair, stable, cooperative, productive workplaces and effective international labour standards** | | |
| Program Activity – **LABOUR**<br>•Constructive and stable labour-management relations in federally-regulated workplaces<br>•Safe, healthy and fair federally-regulated workplaces<br>•Increased awareness of occupational health and safety practices and regulations<br>•Fulfillment of Canada's international labour commitments<br>•Increased cooperation and consensus on national and international labour issues through promotion of dialogue among federal, provincial and territorial governments and among government and employer and worker organizations | 271.5 | 239.3 |
| **Strategic Outcome: Enhanced income security, access to opportunities, and well being for individuals, families and communities** | | |
| Program Activity – **SOCIAL INVESTMENT**<br>•Enhanced income security and social inclusion, increased opportunities and participation of Canadians (in particular for seniors, people with disabilities and communities), through our own initiatives and through working with all of our partners | 59,971.1 | 59,902.7 |
| Program Activity – **CHILDREN AND FAMILIES**<br>•Support low income families with children<br>•Provide families with a choice in child care | 2,481.2 | 2,482.1 |
| Program Activity – **HOUSING AND HOMELESSNESS**<br>•Contribution to the reduction and prevention of homelessness [a] | 144.5 | 116.6 |
| **Sub-Total** | **62,596.8** | **62,501.4** |
| **Strategic Outcome: Achieve better outcomes for Canadians through service excellence (Service Canada)** | | |
| Program Activity – **SEAMLESS, CITIZEN-CENTRED SERVICE**<br>•Citizens are connected to whole-of-government programs and services through easy to access multiple channels that meet their individual needs [b] | 2,479.6 | 2,581.6 |
| Program Activity – **INTEGRITY**<br>•Benefits are delivered in the most cost-effective manner to the right citizen, at the right time, and for the purpose they were intended | 1,029.6 | 903.9 |
| Program Activity – **COLLABORATIVE, NETWORKED GOVERNMENT SERVICE**<br>•Programs and services are synchronized within the federal government and across jurisdictions to enhance efficiency and ease of accessibility for citizens | 228.4 | 228.4 |
| **Sub-Total** | **3,737.6** | **3,713.9** |
| **TOTAL** | **84,523.8** | **83,985.4** |

[a] A new program, the Homelessness Partnering Strategy, was announced in December 2006 and is funded for two years (2007-2008 and 2008-2009).

[b] This amount includes Common Experience Payments to former Indian residential school students ($1,900M in planned spending and $1,817.4M in actual).

[c] Other costs of $519.0M such as Workers' Compensation and EI/CPP charges and recoveries are excluded from the Actual expenditures presented.

# Summary of Departmental Performance by Strategic Outcome

This section summarizes achievements of Human Resources and Social Development Canada by strategic outcome and provides a report card on the Department's performance against specific indicators and objectives outlined in the 2007–2008 Report on Plans and Priorities.

**Policies and programs that meet the human capital and social development needs of Canadians.**

During the year, the Department provided strategic policy, research, and communication expertise in support of the government's efforts to improve the standard of living and quality of life of Canadians, and promote their social well-being and security. A major focus of this work was supporting the government's commitments contained in the 2007 Budget and economic statement, including supporting the principle of creating new opportunities and choices for people that was announced in *Advantage Canada: Building a Strong Economy for Canadians*.

The Department continued to implement several strategic initiatives aimed at achieving excellence throughout the organization. These included further refining the Department's ongoing medium-term policy planning process to identify emerging trends and challenges, as well as working through the development of an integrated policy framework.

Significant progress was made during the year on integrating the Department's extensive knowledge capacity to better inform its policy and program development functions. A departmental Knowledge Management Strategy was developed and specific initiatives were identified for the creation, maintenance, dissemination and use of data, research and knowledge.

**Enhanced Canadian productivity and participation through efficient and inclusive labour markets, competitive workplaces and access to learning.**

During 2007–2008, Human Resources and Social Development Canada worked with provincial and territorial governments, educational institutions, employers, community groups and other stakeholders to improve the quality of life of Canadians. Programs within the Department continue to improve Canada's competitive position by helping Canadians gain access to opportunities including post-secondary education, workplace skills development and work experience. This in turn, helps ensure that Canada develops the best educated, most skilled and flexible labour force in the world. Together, these all contribute to the competitiveness of workplaces and improved Canadian productivity.

Through its programs and services, Human Resources and Social Development Canada contributes to a number of Government of Canada outcomes: stronger economic growth; an innovative and knowledge-based economy; reliable income security; employment for Canadians including targeted groups and those facing barriers; and a fair and secure marketplace. Departmental efforts under this strategic outcome and its major program activities are consistent with the principle of creating new opportunities and choices for people that is outlined in the Government's Economic Plan: *Advantage Canada: Building a Strong Economy for Canadians*.

## Labour Market and Workplace Skills

During 2007–2008, the Department integrated the programs under the labour market and workplace skills program activities within the Skills and Employment Branch in order to more effectively promote a skilled, adaptable and inclusive labour force, and an efficient labour market. The suite of programs assist employers in finding and retaining qualified and skilled workers and they ensure that workers are skilled, self-reliant and adaptable to labour market change. Provinces and territories and other stakeholders are critical partners that allow the Department to effectively plan and implement programs and policies that improve the state of the labour market and promote training and skills development opportunities for Canadians in institutions and workplaces.

To these ends, Human Resources and Social Development Canada worked with key partners and stakeholders to implement targeted strategies to increase the skills, competencies and the workforce participation of Canadians, including traditionally under-represented groups and vulnerable workers. For example, the Department worked with Aboriginal organizations

and other partners to extend and expand the Aboriginal Skills and Employment Partnership initiative to maximize Aboriginal employment on major economic developments projects across Canada. This initiative promoted the labour market inclusiveness of Aboriginal Canadians, and helped employers to meet their skills and labour requirements. Other examples include the Targeted Initiative for Older Workers which assisted displaced older workers in vulnerable communities remain active in the labour force through the provision of new skills and training opportunities.

The Department has worked to ensure our programming continues to remain responsive to labour market challenges, and to afford employed and unemployed Canadians the skills training they need to pursue employment opportunities and the temporary financial assistance they need during transitions. The Department negotiated the transfer of several existing co-managed Labour Market Development Agreements to provincial and territorial governments during 2007–2008. In addition to supporting Employment Insurance-eligible clients through the Labour Market Development Agreements, new Labour Market Agreements were also negotiated during the year with provincial governments. Through these new agreements, low-skilled employed and unemployed Canadians who are not eligible for Employment Insurance benefits or programs will receive employment benefits and services.

The Workplace Skills program activity contributed to the Government of Canada's objective to increase the quality of labour market participants by working with the provinces and territories and other workplace partners to improve essential skills levels, and supporting the creation, testing and sharing of promising tools and approaches to workplace skills development. Through the Sector Council Program, for instance, sector councils worked to imbed industry-developed occupational standards and training materials into school curriculum.

The Department also continued to improve the efficiency of the labour market and to foster a better balance between national labour supply and demand. Collaborative efforts were undertaken with provinces, territories and other key partners to improve the recognition of the credentials of immigrants and to reduce barriers to labour mobility. For example, the Temporary Foreign Worker Program responded to the needs of employers seeking to hire temporary foreign workers through measures aimed at ensuring timely processing of Labour Market Opinions and enhanced protection of workers. In support of these objectives, the Expedited Labour Market Opinion Pilot and new information products for stakeholders, employers and foreign workers were successfully launched and a number of information sharing agreements with provincial governments were advanced or signed.

Human Resources and Social Development Canada also supports apprentices and skilled trades workers in Canada. For example, the Department continued to implement the Apprenticeship Incentive Grant, and also worked with provinces and territories under the Trades and Apprenticeship Strategy to strengthen and harmonize apprenticeship systems better enabling them to meet the demands of the growing economy.

## Learning

Canada's continued prosperity depends on maintaining and improving our competitiveness and productivity. One of the key strategies that enable Canadians to do this is by creating the best educated, most skilled, and most flexible workforce in the world. This was identified as a key priority in Advantage Canada. Learning programs supported this strategy by helping hundreds of thousands of Canadians attend college, university, or trade schools. It did this by encouraging Canadians to save for, and by providing loans and grants to students to participate in, post-secondary education.

Learning programs provided Canadians with a more equitable opportunity to participate in post-secondary education by reducing the financial barriers to learning. These programs target under-represented groups such as people with low-income, single parents, Canadians from rural and remote communities and persons with disabilities. Participation in post-secondary education enables Canadians to be more successful in the labour market and to participate more fully in the economy as well as society. Research has clearly shown that individuals with post-secondary education are more productive, earn higher income, experience less unemployment and stay in the labour market longer.[2]

During 2007–2008, the Department consulted Canadians, provincial and territorial governments and other stakeholders to review financial assistance to students. This resulted in Budget 2008 announcements such as introducing a series of Student Financial Assistance

[2] Report of Pan-Canadian Education Indicators Program **http://www.statcan.ca/bsolc/english/bsolc?catno=81-582-XIE**

measures, including a new student grant and changes to modernize and streamline the Canada Student Loan Program.[3] The Department also implemented the changes announced in Budget 2007 to the Canada Education Savings Program to make it easier for Canadians to save for post-secondary education.[4]

The Department invested $1.1 billion during 2007–2008 in Canada Student Loans, and $161.5 million in Canada Access Grants and Canada Study Grants to help students attend post-secondary education institutions. Approximately, 460,000 post secondary students benefited from the Canada Student Loans Program. Around 58,500 Canada Study Grants and more than 34,700 Canada Access Grants were awarded to students. Based on a 2008 survey, 69% of Canada Student Loans Program borrowers surveyed reported that they would have been severely impacted had they not received a government student loan. The Canada Student Loans Program also successfully completed the transition to a new Service Provider and at the same time made significant progress in reducing the level of defaulted student loans. The Department also continued its efforts to modernize the delivery of student financial assistance to Canadians.

In addition, in 2007, the Canada Millennium Scholarship Foundation supplied $358.0 M in bursaries and scholarships, for a total investment of $ 382.8 M (including operating costs). The Canada Millennium Scholarship Foundation also awarded 3,135 millennium excellence entrance and national in-course excellence awards, valued at $4,000 or $5,000, depending on the type of award.

Also during 2007–2008, the Department invested a total of $627 million to help Canadians save for their children's post-secondary education. Moreover, the average age at which children received their first Canada Education Savings Grant is now 4.2 years and Canadians now have $23.5 billion in savings for the post-secondary education of their children in Registered Education Savings Plans. Furthermore, in 2007 more than 215,000 Canada Education Savings Grant beneficiaries attended post-secondary education institutions with the assistance of $1.3 billion ($1.07 billion in 2006) from their Registered Education Savings Plans.

In 2006–2007[5], around 36% of post-secondary students in Canada used the Canada Student Loans Program, and by December 2007, 37% of Canadians under the age of 18 had savings in a Registered Education Savings Plan and 11.8% of eligible children had a Canada Learning Bond (which only started in 2004).

During 2007–2008, the Department increased access to international education, by assisting 271 Canadian students to participate in international learning opportunities. The Department also worked to reduce non-financial barriers to adult learning and increase awareness of the benefits of lifelong learning amongst Canadians. It established the Office of Literacy and Essential Skills to improve the literacy and essential skills of Canadians and promote an understanding of the importance of the integration of literacy and essential skills into policies and programs. It also launched a new CanLearn website which contains a section to help Canadians explore lifelong learning. The Department also developed a new survey which will enable it to measure Canadians' awareness of the benefits of lifelong learning and their attitudes towards adult learning, education and training. Finally, it promoted awareness of the importance of, and informed and encouraged Canadians to, save for post-secondary education.

**Safe, healthy, fair, stable, cooperative, productive workplaces and effective international labour standards.**

## Labour

Throughout the year, the Labour Program administered labour-related legislation governing federally regulated industries, fostered cooperation within the network of labour jurisdictions in Canada, and managed Canada's international labour affairs.

This work covered a broad spectrum of labour issues: maintaining a fair balance in the relationship between employers and employees; creating competitive workplaces; supporting Canada's productivity; and promoting international respect for labour rights. For example, mediation and conciliation assistance provided to employers and unions led to over 92 percent of collective bargaining disputes being settled without a work stoppage. As well, planning was undertaken for a new Industrial Relations Internship Program in order to build capacity for the industrial relations community and analysis was carried out on the recommendations emanating from a review of Part III (Labour Standards)

[3] For more information about Budget 2008 see **http://www.rhdsc.gc.ca/en/learning/budget_2008/index.shtml**
[4] For more information about Budget 2007 see **http://intra.prv/en/messages/our_officials/2007/budget07.shtml**
[5] 2006 - 2007 is the latest year for which data is available.

of the *Canada Labour Code*. The *Wage Earner Protection Program Act* came into force and established a program to compensate workers for unpaid wages and vacation pay owed to them by employers who are declared bankrupt or are subject to receivership. In addition, a Comprehensive Reinstatement Strategy was developed in cooperation with the Department of National Defence to secure job and education protections for military reservists volunteering on full time deployment with the Canadian Forces. Also, the Minister of Labour launched a focussed study on the causes and impact of work stoppages in the private sector under federal jurisdiction.

Recent high profile work stoppages in the private sector under federal jurisdiction led officials of the Federal Mediation and Conciliation Service to examine its program delivery services to better address the needs of the industrial relations community. The difficulty experienced by parties in resolving the many issues raised by major structural changes in corporate organizations was identified as a key contributor to industrial strife. The merger of bargaining units resulting from the streamlining of bargaining structures, the acquisition and integration of a competitor, and the creation of a single regional company, featured prolonged negotiations, costly litigation and, in some cases, work stoppages. Notably, these work stoppages differed from others in terms of length and person days lost. A closer examination of these disputes revealed that corporate decisions had primarily been based on business imperatives and that insufficient attention had been paid to the impact of organizational changes on employees, their working conditions and their unions. Major corporate changes often lead to major changes in union representational structures. Normal avenues for addressing employee concerns are disrupted as long established unions are themselves faced with representational and organizational issues that complicate and, in some cases, impede their ability to respond to major structural change of their respective employers.

The Labour Cooperation Agreement with Peru, the negotiations for which were concluded in January 2008, is the strongest labour agreement ever negotiated by Canada. It includes effective provisions that commit the signatories to ensuring that their labour laws embody internationally-recognised fundamental rights and principles and enforcing their labour legislation. This agreement is also complemented with a technical assistance program to help Peru implement its obligations under the Labour Cooperation Agreement and other international labour-related commitments. The Labour Program has learned that while countries like Peru have the political will to improve the working conditions and living standards of their workers and their families, they lack the resources for improving the labour situation in their country. The Labour Program has learned that the best approach to promoting sustainable changes with respect to the labour dimension of international trade is to integrate cooperation, as well as financial and technical support, with strong labour commitments through our Labour Cooperation Agreements.

Successful employment equity involves the application of complex problem identification and resolution techniques. As this is applied in the area of human resource management, a discipline that remains one of the most complex and evolving corporate challenges, employers have frequently found it difficult to do well and to achieve tangible results. The lack of tools, techniques, templates and supporting software result in inconsistency between the Federal Contractors Program for Employment Equity and the Legislated Employment Equity Program, and among the Labour Program's five regions. Compliance review results and employer input attested to this conclusion. In response, the Labour Program began the development of a four-step process that provides step-by-step guidance supported by a full range of tools and templates. The final release of the initial four steps for employers subject to the Federal Contractors Program for Employment Equity was completed in the winter of 2007.

The Labour Program's efforts contributed to numerous Government of Canada outcomes: a fair and secure marketplace; safe and secure communities; a safe and secure world through international cooperation; and a strong and mutually beneficial North American partnership.

**Enhanced income security, access to opportunities and well-being for individuals, families and communities.**

The Department continued to help individuals, families and communities maximize their potential in contributing to Canadian society and sharing in the opportunities it provides. At times this involved providing direct assistance, such as the pension benefits paid to over 5 million people to provide income security and the financial benefits paid to parents to help them choose the kind of care they want for their young children. Other activities addressed particular circumstances or vulnerabilities, such as working with community groups in providing

facilities and services to meet the needs of homeless people, or investing in communities through the New Horizons for Seniors Program, Social Development Partnerships Program.

## Social Investment

The Department continued to administer Canada's national pension programs, which constituted important sources of secure income for seniors, surviving spouses and people with disabilities. In 2007–2008, Canada Pension Plan benefits were paid to over 4.8 million individuals while more than 4.4 million individuals received Old Age Security program benefits. Furthermore, approximately 1.6 million low income seniors received the Guaranteed Income Supplement. As an illustration of how important such pensions are to low income seniors, Old Age Security program and Guaranteed Income Supplement benefits accounted for more than half of this segment of the population's total post-retirement income. In addition, the Canada Pension Plan Disability benefit provided income to people with disabilities who were unable to work due to a severe, prolonged disability. Other Canada Pension Plan benefits provided income security to surviving spouses or common-law partners and their dependent children. In total, approximately $59.5 billion in Canada Pension Plan and Old Age Security program benefits were paid to individuals in 2007–2008 (up from $56.4 billion in 2006–2007).

To ensure Canada's national pension programs remain responsive to the current and future needs of Canadians, the Department implemented a number of improvements. These improvements included implementing legislative amendments intended to simplify access to and delivery of Canada Pension Plan and Old Age Security benefits. Meanwhile, the Department continued its outreach efforts to inform individuals of Canada's retirement income system, particularly vulnerable segments of the population who often experience barriers to receiving information and assistance through traditional government channels.

The Department also focused on helping the most vulnerable groups improve their well-being and participation in communities through programs such as the New Horizons for Seniors Program, the Social Development Partnerships Program and Understanding the Early Years Initiative. The community-based New Horizons for Seniors Program invested in 1,771 projects to encourage seniors to share their knowledge and skills with others in their communities and reduce their social isolation. An additional $10 million per year was also invested in the Program to help raise awareness of elder abuse and fraud and to provide capital assistance toward facilities and equipment required for the delivery of programs for seniors.

In an effort to strengthen the ability of the not-for-profit sector to respond to existing and emerging social development issues, investments were made in 59 projects under the Social Development Partnerships Program. These investments support new and enhanced services, innovative delivery models, and product development such as how-to manuals, training materials and best practice guidebooks. This work has had a direct impact in strengthening communities' front-line programs; particularly those services relied upon by children and families, people with disabilities, and other vulnerable populations.

## Children and Families

Recognizing the priority that families place on child care and the diversity of challenges this presents to parents, the Government of Canada, started in 2007–2008 to transfer $250 million annually, to provinces and territories to help support the creation of new child care spaces. The federal government also provided substantial financial assistance through the Canada Social Transfers to support early childhood development using such federal, provincial and territorial initiatives as the Multilateral Framework on Early Learning and Child Care, and the Early Childhood Development Agreement.

As well, the Children and Families Program activity managed the Universal Child Care Benefit, which provided financial assistance to parents in a way that allows them to decide for themselves on the form of child care that best suits their circumstances. Each month 1.5 million families with young children received the Universal Child Care Benefit. Financial assistance and services were provided to low-income families through the National Child Benefit, a partnership among federal, provincial and territorial governments, including a First Nations component.

## Housing and Homelessness[6]

People become homeless through a variety of circumstances, so the homeless population has many faces in many communities. The Department therefore invested in community-based efforts to develop tools and effective means of intervention to help homeless people move towards self-sufficiency. The housing and homelessness program activity led work in this area in collaboration with numerous partners and stakeholders. The Homelessness Partnering Strategy enhanced partnerships across government to improve access to services and programs for individuals and families struggling with homelessness. The Strategy shifted the emphasis from remedial interventions toward prevention and reduction of homelessness through longer-term solutions such as transitional and supportive housing. The Strategy relied on partnerships, improved collaboration, and better alignment of investments by the various partners to implement local solutions to local problems.

**Achieve better outcomes for Canadians through service excellence.**

In its third year, Service Canada continued to make progress towards the goals of providing one-stop client service, improved program integrity, and stronger collaboration and partnership with other federal departments and agencies, provinces and territories. The organization focussed on improving the delivery of its core foundational programs, while new services were provided and others expanded, new points of service opened, and work continued to ensure appropriate stewardship of public funds. Service Canada proactively sought advice from a range of external organizations that offered valuable information on the needs of various client groups and supported the development of strategies to serve specific client segments. Access to service was improved with 33 new points of service to reach 620 points across Canada, outreach visits to smaller communities and increased use of the Service Canada website. Service Canada continued to expand its range of services, including the ecoAUTO rebate program and Common Experience Payments, administration of the Ice Compensation payments, and continued to improve service delivery capacity in areas such as passport applications. Service Canada's focus on sound stewardship of public funds and safeguarding client privacy continued through efforts to protect the personal information of Canadians and to ensure that benefits are issued correctly.

## Seamless, Citizen-Centred Service

During 2007–2008, Service Canada increased the familiarity of Canadians with the Government of Canada programs and services that it made available to them. National, regional and community-based advertising made the public aware of both new and program-specific service offerings. Public awareness of Service Canada was further heightened through improved signage that featured the Service Canada brand, and the participation of Service Canada staff in community events, information sessions, career fairs and other off-site activities. Together, these efforts resulted in increased usage of 1 800 O-Canada and the Service Canada website, and visits to Service Canada Centres for advertised services and programs. Canadians increasingly turned to Service Canada as the service network of choice; results included more than 51 million calls to Service Canada call centres; over 90,000 Common Experience Payment applications; 267,000 passport applications; almost 53,000 Apprenticeship Incentive Grant applications; over 113 million visits to the Job Bank site; and over four million more visits to the Service Canada website than in 2006–2007. Thirty-three new Service Canada points of service were added, reaching 95.4 percent of Canadians who reside within 50 kilometres of a Service Canada point of service. Service Canada increased the range of available programs by expanding its partnerships with other federal government departments and orders of government stakeholders and volunteer organizations to deliver services on their behalf.

## Integrity

Protecting the personal information of Canadians continued to be a high priority with measures taken to safeguard such information, improve management controls, develop a risk analysis and integrity review framework for new service offerings, and prioritize and streamline the investigation of Employment Insurance claims. Service Canada implemented measures that further strengthened the protection of Canadians' personal information, helped ensure that

[6] Within the portfolio, Human Resources and Social Development Canada focuses on homelessness and Canada Mortgage and Housing Corporation focuses on housing. The Department's Program Activity Architecture has since been updated to better reflect this dual focus.

the right benefits were provided to the right client and for the intended purpose. The organization initiated a proof of concept to establish enhanced data analysis capability to detect, investigate and prevent Social Insurance Number related abuse. Initial benchmark studies undertaken on Old Age Security and Canada Pension Plan payments demonstrated that payment is highly accurate. With respect to the goal of ensuring integrity of the Social Insurance Number, Service Canada implemented a Quality Management strategy to provide rigorous systematic controls at each step in the issuance of Social Insurance Numbers. High rates of accuracy were achieved in both Social Insurance Number issuance to the right person (over 99.9 percent) and in recording the Social Insurance Register's vital events dates for births and deaths. A range of integrity strategies and proactive and preventative interventions were undertaken to ensure that payments were issued only to eligible individuals. To provide secure access to Employment Insurance, Canada Pension Plan and Old Age Security services online, Service Canada validated client identity against the Social Insurance Register, which resulted in 13.7 million authentication transactions. Protecting the integrity of public funds included conducting a total of 772,357 investigations of suspected fraud or abuse of the Canada Pension Plan, Old Age Security, Social Insurance Number and Employment Insurance.

## Collaborative, Networked Government Service

Stronger partnerships developed with other federal government departments and agencies, as well as other orders of government allowed Service Canada to expand the array of benefits and services it provided to Canadians. Effective working relationships established with other organizations during the year helped to simplify procedures for clients seeking assistance from the Government of Canada and improved timeliness in getting needed benefits to those faced with pressing economic circumstances. Seven new formal agreements were signed with six departments and agencies (Department of Human Resources and Social Development, Department of Fisheries and Oceans, Passport Canada, Department of Canadian Heritage, Department of National Defence, and Department of Transport) that will facilitate the delivery of benefits and services on their behalf. Vital events management improvement was facilitated through arrangements with provinces, which permitted the authentication and validation of personal identity. The "My Service Canada Account" eliminated the need for duplicate online client accounts to access Service Canada products and services. Client service capacity was further increased through enhancements of the "Read to Me" feature for visually and mobility impaired users of the Service Canada website as evidenced through the 172,000 times the read speaker was activated. Business volumes recorded during 2007-2008 provided concrete evidence of Service Canada's increased service capacity.

## Table 2: Departmental Report Card for Program Indicators

Program indicators are among several sources used for evaluating departmental performance. Program evaluations, audits and various monitoring reports are also tools to provide a comprehensive understanding of performance.

The Report Card displays results information for the Department's program performance indicators that were published in the 2007–2008 Report on Plans and Priorities. For indicators that have an established target, the Report Card provides a rating in terms of whether expectations were met, mostly met, or not met. No rating is provided for indicators that do not have established targets. Brief comments are included for indicators where required. More detailed comments on indicator results are included in the section of the document that discusses performance by strategic outcome.

Overall, the Department met or exceeded 37 of its 45 targets.

### Rating Data Sources

Human Resources and Social Development Canada has implemented an additional control on all performance information gathered and included it in the Performance Report to identify the data source and data quality.

The assessment of quality of data found in this *Performance Report* is based upon this preliminary assessment of the system controls. The table below provides a summary of ratings for data quality for the targeted data reviewed. The Department will continue to review certain data systems and improve upon management controls and present those findings in future performance reports.

Key findings of this review include that 76% of the targeted data had controls rated as "good". The balance of targeted data reviewed was, for the most part, rated as "reasonable".

**Rating Data Source** Rating Summary of Data Systems and Process Controls

| Data Systems and Controls Rating | Definition | Number of Data Systems and Controls |
|---|---|---|
| Good | Has clearly defined policies and procedures in place | 90 |
| Reasonable | Has compensating controls in place to make up for lack of defined policies/procedures | 26 |
| Weak | Has no defined policies/procedures or compensating controls in place | 2 |

## Table 2 : Department Report Card for Program Indicators

### Summary of Departmental Program Performance by Strategic Outcome

| Legend | ● Target met or exceeded | ○ Target not met |
|---|---|---|
| | ◐ Target mostly met | N/A Not applicable |

| Rating | Program Indicators | 2007–2008 Target | Results |
|---|---|---|---|
| **Enhanced Canadian productivity and participation through efficient and inclusive labour markets, competitive workplaces and access to learning** | | | |
| **Client Employed** | | | |
| ● | Number of clients employed and / or returns to school following an employment program intervention and as a proportion of the total number of clients who complete their employment program intervention(s). | Number Range: 205,000-225,000<br>Proportion: 55%-60% | Number: 221,787<br>Proportion: 60.76%<br>Data Systems and Controls Rating: Reasonable |
| **Job Ready/Job Search** | | | |
| ● | Number of Job Ready/Job Search[a] clients employed or returned to school following an employment program intervention<br>[a] Job Ready / Job Search: support programs that help clients find a good job match as quickly as possible. | Number Range: 87,000-95,000 | 105,296<br>Data Systems and Controls Rating: Reasonable |
| **Developmental** | | | |
| ● | Number of clients who become employed or return to school following a developmental[b] employment program intervention.<br>[b] Developmental: benefit programs that help clients gain work experience, improve job skills or start a new business. | Number Range: 118,000-130,000 | 123,845<br>Data Systems and Controls Rating: Reasonable |
| ○ | Number of clients participating in Skills Development and as a proportion of the total number of clients who participate in a developmental employment program intervention. | 85,000-94,000<br>68% | 75,203<br>65%<br>Data Systems and Controls Rating: Reasonable |
| | **Comments:** A variety of economic factors influence these individual indicators. For example, the indicators were affected by the continued strength of demand for labour across the country, strong economic growth resulting from strong employment gains and modest productivity growth, record high participation and employment rates for those 15 to 64, and near-record low unemployment rates in most provinces for 2007–2008. | | |
| ● | Number of apprenticeship clients who received benefits provided through EI Part I or II. | 50,000-56,000 | 58,195<br>Data Systems and Controls Rating: Reasonable |
| ● | Percentage of Sector Councils that meet or exceed expected level of performance. | 90% | 95%<br>Data Systems and Controls Rating: Good |
| ● | Increase in the number of trades people who are fully mobile in Canada through Red Seal endorsement. | 17,000 | 21,087<br>Data Systems and Controls Rating: Good |

| Rating | Program Indicators | 2007–2008 Target | Results |
|---|---|---|---|
| ● | Portion of skilled immigrants in occupations targeted by systemic Foreign Credential Recognition interventions. | 53% | 53.7%<br>Data Systems and Controls Rating: Good |
| ◐ | Percentage of Canada Student Loan borrowers who would have been severely impacted if it were not for the loan. | 71% | 69%<br>Data Systems and Controls Rating: Good |
| ● | Client satisfaction with the overall quality of services provided by the Canada Student Loans Program. | 75% | 75%<br>Data Systems and Controls Rating: Good |
| ● | Percentage of children 0-17 who have ever received a Canada Education Savings Incentive. | 36% | 37%<br>Data Systems and Controls Rating: Good |
| **Safe, healthy, fair, stable, cooperative, productive workplaces and effective international labour standards** | | | |
| ● | Percentage of collective bargaining disputes settled under Part I (Industrial Relations) of the *Canada Labour Code* without work stoppage. | 90% | 92.1%<br>Data Systems and Controls Rating: Good |
| ● | Percentage of unjust dismissal complaints settled by inspectors (Part III of the *Canada Labour Code*). | 75% | 76%<br>Data Systems and Controls Rating: Good |
| ● | Disabling Injury Incidence Rate measuring the change in the rate of lost time injuries, illnesses and fatalities within federal jurisdiction industries from year to year. | Reduce the Disabling Injury Incidence Rate by 10% over five years (by 2008-2009) in those high-risk industries where we are targeting proactive interventions | • All industries reduced by 12.6%<br>• Seven priority industries reduced by 20.5%<br>Data Systems and Controls Rating: Good |
| ○ | Percentage of money collected in relation to the amount found to be owed for complaints under Part III (Labour Standards) of the *Canada Labour Code* (excluding unjust dismissal complaints). | 75% | 57.93%<br>Data Systems and Controls Rating: Good |
| | **Comments:** The target was not met due to the unusually high numbers/amounts not settled because of bankruptcies (especially two large ones in Ontario, amounts which are largely unrecoverable), and from claims filed in Federal Court. If these two categories were excluded, the result would be 84.79%. | | |
| ● | Client satisfaction with the quality of Workplace Information Directorate data. | 80% | 2006–2007 Result – 96.4%<br>Data Systems and Controls Rating: Good |
| | **Comments:** A survey was not carried out in 2007–2008. | | |
| **Enhanced income security, access to opportunities and well-being for individuals, families and communities** | | | |
| ● | Number and percentage of clients with enhanced employability. | 2,200 clients or 40% | 2,600 clients or 74%<br>Data Systems and Controls Rating: Good |

| Rating | Program Indicators | 2007–2008 Target | Results |
|---|---|---|---|
| ● | Number of new community-based social development projects or initiatives that have been supported to promote the participation of children and families, persons with disabilities or other vulnerable populations. | 30 projects | 59 projects<br>Data Systems and Controls Rating: Reasonable |
| ● | Number of persons participating in New Horizons for Seniors community projects. | 50,000 participants | 91,700 participants*<br>*Based on an estimate of 100 participants per project.<br>Data Systems and Controls Rating: Reasonable |
| ● | Percentage of famiiies who are receiving the Universal Child Care Benefit for their children under age 6. | 100% of eligible families | 99.2%<br>Data Systems and Controls Rating: Good |
| ● | Amount invested in communities by external partners (not-for-profit groups, private sector organizations and other government departments) for every dollar invested by the Homelessness Partnership Initiative. | $1.50 | $3.18**<br>**Transition year full results not available. Results represent carry-over projects from Phase II of the National Homelessness Initiative (predecessor of the Homelessness Partnership Strategy ).<br>Data Systems and Controls Rating: Good |
| ● | Percentage of all Homelessness Partnership Initiative investments targeted to long-term stable housing and related services. | 65% | 73.9%<br>Data Systems and Controls Rating: Good |
| **Achieve better outcomes for Canadians through service excellence** | | | |
| ○ | Specialized calls answered by an agent within 180 seconds-information and transaction. | 95% | 58.5%<br>Data Systems and Controls Rating: Good |
| | **Comments:** Result for the Canada Student Loans Program: 94.5%<br>Result for Canada Pension Plan and Old Age Security: 75%<br>Result for Employment Insurance: 41%<br>Service Canada continues to make improvements to its specialized call centres by transforming the current program-silo network to an integrated network. When fully implemented, this means that workload can be managed nationally, eventually enabling agents to respond to Canadians across programs and from any geographic location. | | |
| ● | General calls answered by an agent within 18 seconds (1 800 O-Canada) | 85% | 88%<br>Data Systems and Controls Rating: Good |
| ● | Access to automated telephone information services. | 95% | 95.4%<br>Data Systems and Controls Rating: Good |
| ● | 24/7 availability of Internet-information and transaction. | 98% | 99.3%<br>Data Systems and Controls Rating: Good |

| Rating | Program Indicators | 2007–2008 Target | Results |
|---|---|---|---|
| ● | Number of forms online in formats accessible for people with disabilities. | 10 | 11<br>Data Systems and Controls Rating: Good |
| ● | Percentage of Canadians with access within 50 kms of where they live. | 90% | 95.4%<br>Data Systems and Controls Rating: Good |
| ● | Number of Service Canada Centres with extended hours of service. | 60 | 62<br>Data Systems and Controls Rating: Good |
| ● | Number of established points of service for Official Language Minority Community Groups. | 17 | 37<br>Data Systems and Controls Rating: Good |
| ● | Languages offered other than English and French. | 10 | 20<br>Data Systems and Controls Rating: Good |
| ○ | Notifications sent within seven days of receipt of applications. | 80% | 65.8%<br>Data Systems and Controls Rating: Good |
| | **Comments:** When Canadians apply on-line, they are immediately notified of the receipt of their application. At this time notification within 7 days for paper-based claimant applications cannot be guaranteed.<br>**Result** for Employment Insurance: 97.6% of initial applications and 85.5% of renewal applications are received electronically through the Internet and are instantly acknowledged.<br>for the Canada Pension Plan: 24% of Canada Pension Plan retirement applications were received on-line and acknowledged instantly.<br>for Old Age Security: Old Age Security and Guaranteed Income Security applications are not automated bringing the overall indicator result down to 65.8%. Old Age Security applications on-line is planned for 2009-2011. | | |
| ● | Canada Pension Plan retirement benefit payment or non-payment notification issued within first month of entitlement. | 85% | 91.8%<br>Data Systems and Controls Rating: Good |
| ● | Employment Insurance benefit payment or non-payment notification issued within 28 days of filing. | 80% | 80.3%<br>Data Systems and Controls Rating: Good |
| ● | Employment Insurance Umpire Appeals sent to the Office of the Umpire within 60 days. | 100% | 98.3%<br>Data Systems and Controls Rating: Good |
| ● | Employment Insurance Board of Referee Appeals scheduled within 30 days. | 90% | 78.1%<br>Data Systems and Controls Rating: Good |
| ● | Old Age Security basic benefit payment or non-payment notification issued within first month of entitlement. | 90% | 93.7%<br>Data Systems and Controls Rating: Good |
| ● | Pleasure craft licences issued in a visit. | 90% | 89.8%<br>Data Systems and Controls Rating: Reasonable |

| Rating | Program Indicators | 2007–2008 Target | Results |
|---|---|---|---|
| ● | SINs issued in a visit. | 90% | 93%<br>Data Systems and Controls Rating: Good |
| ● | Accuracy rate of payments (includes Employment Insurance and Old Age Security) (Canada Pension Plan under development). | 95% (EI)[a] | 94.4%<br>Employment Insurance<br>Data Systems and Controls Rating: Good |
| | Client satisfaction in relation to services provided. | 80%[b] | N/A<br>Data Systems and Controls Rating: Good |

**Comments:** [a] A combined indicator for Employment Insurance and Old Age Security payments will be implemented in 2008-2009.
[b] Refers to biannual client satisfaction survey which will be supplemented by a range of client feedback and related mechanisms. A survey was not carried out in 2007–2008.

## Departmental Corporate Management

### Human Resources and Official Languages Indicators

**Legend**

● Target met or exceeded
O Target not met
**O** Target mostly met
**N/A** Not applicable

| Rating | Program Indicators | 2007–2008 Target | Results |
|---|---|---|---|
| **Employment Equity** | | | |
| O | Representation of visible minority persons | 9.4% | 9.0% |
| ● | Representation of Aboriginal persons | 3.1% | 3.9% |
| ● | Representation of people with disabilities | 3.4% | 7.2% |
| ● | Representation of women | 59% | 70.7% |

**Data Systems and Controls Rating: Reasonable**

**Comments:** Under representation of members of a visible minority is an identified problem in the Federal government. At Human Resources and Social Development Canada with an employee population of 22,034, the under-representation gap for members of a visible minority is .4%. As well, there are only a few occupation groups for this designated group were under representation is significant. These occupational groups are Computer Systems and Program Management.

**Employee Equity gaps are being aggressively addressed in the Human Resources Planning process. Statistical reports and analysis are being provided to branches, business lines and regions so they can identify and address any localized under representation for any group within their Human Resources plan.**

| | | | |
|---|---|---|---|
| **Official Language Complaints** | | | |
| N/A | Communications with and services to the public | Actual results to be reported | 33 |
| N/A | Language of work | Actual results to be reported | 15 |

**Data Systems and Controls Rating: Reasonable**

## Achievements Against Priorities

### Management Priorities

| Plan | 2007–2008 Achievements |
|---|---|
| **Priority:** Strengthen and ensure effective management in the Department | |
| Ensure effective and efficient corporate services | Reviewed the Department's governance structure to strengthen accountability and coherent decision-making.<br>Reviewed Corporate Services functions to assess problems and improve performance.<br>Established a Corporate Secretariat to provide ministerial and executive support and coordination across the Human Resources and Social Development Canada portfolio. |
| Strengthen information and knowledge management systems | Advanced a corporate Knowledge Management Strategy based on Web-based tools, products and dialogue fora to facilitate the storage, dissemination and transfer of the knowledge necessary to inform policy and program development and analysis.<br>Developed the *HRSDC Knowledge Portal Pilot* to provide employees with centralized and rapid access to a comprehensive set of departmental knowledge resources, including data holdings, published and unpublished research reports and papers, evaluation and audit reports, newsletters, indicators, statistic information and public opinion research.<br>The Electronic Records Management Initiative was launched. This initiative included the introduction of the *Record, Documents, and Information Management System* that integrates records management, document management, imaging, optical character recognition, full-text indexing search and retrieval, workflow, an on-line document viewer and reporting capabilities in order to enhance service delivery, provide better support to decision-makers, make knowledge workers more productive, and promote information sharing. |

| Plan | 2007–2008 Achievements |
|---|---|
| Address issues identified in the Management Accountability Framework assessment | In the 2006 Round IV Management Accountability Framework assessment, Treasury Board Secretariat identified a total of 7 areas that would benefit from departmental attention. These areas concerned values-based leadership and organizational culture, Treasury Board submissions, performance reporting, information technology, asset management, financial management and control, and internal audit. In response, the Department developed and implemented a detailed action plan containing concrete activities. While no formal monitoring and reporting process was applied, progress was reported periodically at senior management meetings. Efforts, activities and initiatives undertaken to respond to identified concerns were used to populate the departmental self-assessment for Management Accountability Framework Round V and subsequently reported to Treasury Board. The Treasury Board Secretariat acknowledged and commended the Department on the significant progress it has made in all areas identified in Round IV through a much improved rating as a result of the Round V assessment. |
| Ensure effective governance relationship among policy development, program design and service delivery through Service Canada | Established a Portfolio wide Senior Management Board, single Audit Committee, and implemented a review of governance structures and processes.<br><br>Medium-term policy planning capacity was deepened with a focus on sectoral and integrated diagnostics and broad engagement with policy and research on the development of the medium-term policy agenda.<br><br>Significant progress has been made in linking evaluation to policy development. For the third consecutive year, evaluation received a strong rating in the Treasury Board Secretariat Management Accountability Framework assessment. |
| **Priority:** Maintain and enhance financial stewardship in all areas of the Department | |
| Enhance and sustain transparency and oversight functions through accountability measures, including implementation of the *Federal Accountability Act* | Assessed problems and risks, developed alternative models for strengthened accountability and improved performance, and completed analysis of options for realignment of corporate services and management of grants and contributions, including development of the appropriate management and accountability structure, in support of stronger linkages to policy and priorities and direction, closer monitoring and tracking of issues, and a stronger focus on results.<br><br>Developed a 3-year departmental action plan to streamline, simplify and harmonize departmental grants and contributions management, leading to reduced administrative and reporting burden on recipients, and across the Department, while ensuring accountability of funding programs. |

| Plan | 2007–2008 Achievements |
|---|---|
| Support the Deputy Minister in the new role of "accounting officer" | Implemented a single Chief Financial Officer, Senior Officer for Disclosure of Wrongdoing, Assistant Deputy Minister Human Resources Services, and Security Officer for Human Resources and Social Development Canada.<br>Ensured that existing managers and executives have validated their knowledge of the legal responsibilities attached to exercising delegated authorities by successfully completing the required assessments to meet the knowledge standards, at least every five years.<br>Completed the selection process for the appointment of external Audit Committee members. |
| Address findings from the Auditor General reports | Findings from the Office of the Auditor General were used by management to improve departmental operations. Management Action Plans were prepared by departmental managers to address Office of the Auditor General recommendations and followed up by Internal Audit to ensure timely implementation of audit recommendations. |
| Strengthen integrity of programs by improving identity information and reducing error and fraud | More than 700,000 investigations for suspected fraud or abuse of Canada Pension Plan, Old Age Security and Employment Insurance, were conducted in 2007–2008.<br>Service Canada initiated a proof of concept to improve data analysis and detect, investigate and prevent abuse of Social Insurance Numbers. The organization implemented the Social Insurance Number Quality Management Strategy to provide rigorous systematic controls to guide each step of Social Insurance Number issuance. |
| Realize expenditure review savings and effective spending commitments | Human Resources and Social Development Canada and Service Canada had set a revised Expenditure Review savings target of $300 million but exceeded the target, generating $343 million. Savings were largely realized as a result of increased activities to address the most common forms of abuse in Employment Insurance and public pension benefit programs. Effective spending commitments have been met through approved reductions of the Department's reference levels. |
| An Internal Audit Plan to identify key areas for risk-based audits related to departmental program activities and internal controls;<br>Enhance processes to provide reasonable assurances regarding effectiveness and efficiency of operations; reliability of financial reporting; and compliance with government policies | Developed an integrated risk-based 2008–2011 Internal Audit Plan for Human Resources and Social Development Canada.<br>The Department has made progress to ensure implementation of the Policy on Internal Audit by April 1, 2009, most notably establishing the external Departmental Audit Committee.<br>Internal audit results are used by management to improve departmental operations. Management Action Plans are followed up to ensure timely implementation of audit recommendations. |

| Plan | 2007–2008 Achievements |
|---|---|
| Continue to work to meet the Office of the Comptroller General deadline for an external audit of departmental financial statements in 2008–2009 | The Department made progress in documenting and assessing its key controls for a future departmental financial statements audit. Recommendations are being drafted and agreed upon engagement letters and action plans will be established to ensure the Department meets the new audit deadline of 2011–2012. |
| **Priority:** Ensure appropriate human resources strategies are employed throughout the Department | |
| Ensure effective recruitment and staffing practices in order to attract the people our organization requires to fulfill our mandate and responsibilities to Canadians | All executives have commitments in their Performance Management Agreements to focus on recruitment development.<br>Post-Secondary Recruitment campaigns were held to hire Economics and Social Science Services (ES) and Program and Administrative Services (PM) employees.<br>Development Programs were discussed and considered for possible implementation in the Department.<br>Developed a renewal strategy that focussed on priorities in the Public Service Renewal Action plan. The Department has identified leadership development in Human Resources and Social Development Canada as a high priority. The Department has developed and launched its own 2 year leadership development program – the Aspiring Executive Development Program. |
| Ensure that frameworks and policies are in place to support integrated operational and human resources planning and a values-based approach to staffing and the development of employees | Work started in 2007–2008 to develop integrated plans to improve the integration of Human Resources and business planning functions. Activities included holding Department-wide planning workshops, focus groups and regular planners' network meetings, as well as creating improved planning template |
| Ensure a culture of excellence, integrity, innovation, and the effective delivery of high-quality programs by providing challenging learning opportunities to our people and the tools they require for the job | Developed an integrated Human Resources/Business plan including succession planning and knowledge transfer strategies to ensure the workforce capacity and diversity meet current and future business needs.<br>Developed learning plans for all employees in order to ensure that employees are able to gain access to learning opportunities.<br>Service Canada's commitment to service excellence was expanded through a number of concrete internal efforts that included:<br>• Service Canada College's development of a suite of service excellence courses for client service staff;<br>• registration of client service staff in the Service Excellence Certification program;<br>• development of an employee development plan and a learning policy;<br>• delivery of training oriented for both new staff and new managers; and<br>• implementation of a Leadership and Management Development Program for new client services. |

# Corporate Risk

The Department identified five corporate risks in achieving its objectives and commitments for 2007–2008.

Accountability and citizen-centred service were at the forefront. A summary of the key risks and associated strategies implemented are outlined below.

*At risk is our ability to engage in, build and strengthen relationships with provinces, territories, external partners and Canadians in order to ensure timely progress on our commitments and enhanced awareness of our social and economic agenda.*

In Budget 2007, the Government announced a number of measures aimed at increasing Canada's skilled and inclusive workforce through a new labour market strategy, which included the negotiations of Labour Market Agreements with provinces and territories. Negotiations were successful and lead to the signing of Labour Market Agreements with Ontario, Saskatchewan, New Brunswick and British Columbia as well as a transfer Labour Market Development Agreement with British Columbia.

Efforts continued to develop and implement intergovernmental strategic frameworks aimed at guiding federal, provincial and territorial relations and integrating knowledge and evidence into policy development process at all levels. The Department has increased its capacity to provide international perspective on policy development and to support international policy dialogue and debate. In addition, the Homelessness Partnering Secretariat enhanced dialogue with every province and territory through bilateral negotiations to align federal capital investments with provincial and territorial investments in social services.

The Department developed a Stakeholder Engagement Framework to seek active involvement and direct participation from stakeholders, including the public on a wide range of issues and decisions. A corporate approach was also developed to engage the Department in stakeholder relations, including the redesign and enhancement of the Stakeholder Relations and Public Engagement Intranet site with tools and a departmental Stakeholder Relations Network to build capacity for engagement within the department. The Department also continues to conduct public opinion research to keep abreast of the public's views as they relate to its mandate. This information is factored into policy and program development.

In addition, Service Canada continued to work with provincial and territorial governments to enhance the overall integrity of the Social Insurance Number Register by ensuring that the information is accurate, reliable, and up to date. To date, agreements have been put in place with Ontario, British Columbia and Alberta which include a new service offering for the Newborn Registration Service. This new service provides to parents of newborns with access to multiple federal and provincial services and programs at birth, by completing a single application processed by Service Canada.

*At risk is our capacity to attract and retain competent and skilled people and develop capacity to address skill requirements needed across the Department which may hinder our ability to deliver on our commitments and to exercise due diligence.*

The Department continued to implement the Corporate Human Resources Plan to further strengthen succession planning for the executive category, as well as to ensure that knowledge transfer strategies, workforce capacity and diversity are in place to meet current and future business needs. In terms of succession planning, Human Resources and Social Development implemented Leadership Development programs for senior management and created succession management strategies to renew executive ranks to fill identified future gaps. In addition, the Department successfully conducted a Post-Secondary Recruitment Program to attract new talent.

The Service Canada College designed and delivered specific training programs to support change initiatives within the organization and ensure employees have the necessary associated essential skills and competencies to deliver on the Department's mandate. This includes training for the delivery of new programs and services on behalf of other government departments. Since its inception in 2006, over 3,800 employees from call centres, in-person services, processing units and corporate services have completed mastery level one in the Service Excellence Certification Program.

*At risk is our ability to exercise appropriate governance and oversight on the stewardship of financial resources and the state of internal controls within an environment of organizational changes and evolving accountability relationships.*

Improvements to the management of corporate functions resulted from the implementation of the following key mitigation strategies. A Chief Financial Officer position

was created and staffed. The position will be influential in strengthening the overall stewardship of the departmental resources and oversight of all financial matters and work towards improving the internal control framework. To ensure that managers are well assisted in fulfilling their management responsibilities, the Department updated its Financial Management Framework which was essential to the efficient, effective and economic use of departmental resources.

In addition, a Centre of Excellence for Grants and Contribution was established to review, monitor and shape best practices on the management of Grants and Contributions. This has increased the Department's internal control framework on Grants and Contributions. An Internal Control Certification of Business Processes was initiated certifying that the key financial management process and controls are accurately mapped, documented and being followed in the delivery of the Department's activities.

Under the 3-year Departmental Action Plan to modernize portfolio management and administration of grants and contributions, a new risk assessment, management and mitigation approach is being developed to enhance coherence and consistency across 32 grants and contributions programs, leading to reduced administrative and reporting burden on recipients while ensuring accountability. As well, knowledge building activities are being developed to create a consistent understanding across the department around enhancements to grant and contribution management and administration policies and practices.

In order to strengthen policy development, program performance management and to clearly demonstrate value for money, the Department is developing a portfolio approach and a Data Plan to better anticipate and manage financial pressures related to its corporate holdings of licensed surveys.

*At risk is our ability to effectively manage the continuum across Human Resources and Social Development Canada's policy and program design and its service delivery networks, in order to achieve meaningful results for Canadians.*

In order to provide a coherent and consistent approach, a Portfolio Senior Management Board was created. It serves as a decision-making body that provides strategic oversight and direction on program and corporate management issues that affect Human Resources and Social Development Canada, Service Canada and the Labour Program. A process was launched to clarify accountabilities for Grants and Contribution and statutory programs. A Corporate Secretariat was also established to provide ministerial and executive support and coordination across the portfolio. The Department established the new Information Management Policy and Directive which helps establish clear accountabilities for information management.

As part of the government-wide effort on Public Service Renewal, business plans, which integrate business and human resources planning, were made available to all employees.

In a knowledge-based organization such as Human Resources and Social Development Canada, managing information effectively can contribute to the Department's collective knowledge and contribute to greater accountability and transparency. To help maintain corporate memory and effectively manage the information and documents used daily, the Department sponsored a pilot project to determine how the Records, Documents and Information Management System could best be configured to meet Human Resources and Social Development Canada's unique information challenges.

HRSDC reviewed its departmental Business Continuity Plan and developed a pandemic influenza plan.

To more effectively manage policy development across the Department's portfolio and its policy, program and service delivery components, the Department has expanded its Policy Coordination Committees to include a broader range of challenge perspectives on policy products, and have made more transparent the reporting out of outcomes from their meetings more transparent. The Department also continued to implement strategic initiatives aimed at achieving excellence throughout the organization, including more effective internal communications, talent management and processes that encourage collaboration.

*At risk is our ability to develop policies and deliver programs to respond to sudden and significant changes in socio-economic conditions or government direction.*

In order to respond effectively to the challenges associated with this corporate risk, the Department implemented various strategies. Medium-term policy planning capacity has also been deepened to support excellence with a focus on sectoral and integrated diagnostics and broad engagement with the policy and research community.

Continued efforts to increase awareness and the application of gender-based analysis were made across Human Resources and Social Development Canada to better inform the development of policy options that respond to the diverse needs of Canadian women and men. The Department identified strengthening strategies to include evaluation in its policy development process. The Department also developed a Knowledge Management Strategy to strengthen access to the planning, sharing and use of knowledge to be better equipped to inform and support policy and program priorities.

In addition, Human Resources and Social Development Canada continues to engage service delivery units to ensure programs can respond to increased demand if needed and to ensure that program design is flexible to respond to changing needs in the economy.

# **Section II** Performance Discussion by Strategic Outcome

# Policies and Programs That Meet the Human Capital and Social Development Needs of Canadians

Program Activity

# Policy, Research and Communications

The Policy, Research and Communications functions are the focal point for strategic policy at Human Resources and Social Development Canada. They manage the agenda, contribute to policy development, and provide the Minister, the Deputy Minister and the Government with the knowledge, analysis and advice needed to make informed choices to improve the standard of living and quality of life of Canadians. They also track commitments made in the *Budget* and the *Speech from the Throne* as well as create socio-economic strategies to address current pressures and provide strategic policy direction and advice to the Minister.

The Department is the Government of Canada's principal advisor on human resources and social development policy issues, providing the capability to contextualize the issues in support of efforts to achieve the Government's policy objectives and results for Canadians.

Early in the fiscal year, the Department took steps to strengthen its policy and research capacity by integrating evaluation, research, knowledge and strategic policy functions within a single Branch. Behind this move was a desire to maximize the impacts of programs and policies and to create a greater opportunity for multi-disciplinary and stakeholder engagement.

The Department supported Government of Canada's human resources and social development policies to specifically deliver on the *Advantage Canada* agenda as well as its social policy agenda. It supported the implementation of the new labour market architecture, including new *Labour Market Agreements* and the development of associated performance indicators to ensure accountability and Results for Canadians. The Department worked with Finance Canada on the development and introduction of a new tax benefit that provides incentives for social assistance recipients to enter the labour force and encourages lower-wage workers to remain in the labour force. As well, the Department implemented the Government's commitment to increase funding for post-secondary education and partnered with other departments to establish the Community Development Trust which was announced by the Prime Minister in January 2008.

Policy, Research and Communications made investments in support of policy formulation through the provision of timely and quality communications and stakeholder relations services through media activities, advertising campaigns and public opinion research strategies. It ensured continuous communications issues identification and management through publication of newsletters, success stories, press releases, and speeches. A corporate *Public Involvement Framework* was designed to establish principles to guide and strengthen departmental consultation and engagement practices. Stakeholder strategies were also designed and implemented for new Government initiatives to ensure a commitment to consulting the public and stakeholders on issues that affect their lives.

In advancing knowledge development across the Government, the Department carried-out medium term policy planning which created sectoral diagnostics on the *Labour Market, Learning and Social Development*, as well as on the *Retirement Income System and Productivity*. A corresponding *Knowledge Management Strategy* was developed to maximize departmental efficiency and effectiveness in acquiring, using, and sharing the knowledge needed to help Canadians achieve their goals. A three-year Policy Research Plan was developed and implementation began with the management of hundreds of research projects undertaken within the department and by the academic community, much of which has been widely-recognized and cited both domestically and internationally.

In support of macro-economic scenario analysis, Policy, Research and Communications proceeded with the development and use of the models for policy analysis and updated components of the *Canadian Occupational Projection System* for projecting labour supply and demand by occupation to inform both policy formulation and to provide critical labour market information to workers and employers. It also continued the use of experimentation and demonstration projects as a vehicle for learning on 'what works'.

The Department created a five-year evaluation plan, to ensure adequate and timely coverage of the main program elements and to reflect new priorities and accountability requirements (43 evaluations were underway, 9 have been completed).

Policy, Research and Communications made significant investments to the development of Statistics Canada surveys (in particular, the 2006 Census which released key findings in 2007–2008) and moved forward with the development of a *Human Resources and Social Development Canada Data Plan for 2008–2009*, that will contribute to the effective management and planning of departmental knowledge assets (including investments in surveys). The *"Indicators of Well Being in Canada"* site was publicly launched and provided Canadians with access to an up-to-date picture of the well-being of Canadians and Canadian society.

Policy, Research and Communications also increased engagement and collaboration with Provinces, Territories, Partners and Canadians to ensure better, innovative and complementary policy initiatives. It participated in external knowledge and research development exercises on retirement and pension issues (for example, the Department holds a membership in the *C.D. Howe Institute Pension Paper Series*). It oversaw the implementation of the Federal-Provincial-Territorial approach set out in April 2007 to guide the achievement of policy directions outlined in Budget 2007 on key priorities, notably Child Care spaces and Post-Secondary Education, initial roll-out of the new labour market architecture, and the Canada Student Loan Program review.

On the global scene, best practices and lessons learned were exchanged with international partners by hosting some 30 visiting delegations and further developing relationships with Australia and the United Kingdom. The Department continued to partner with the United States on labour market issues as well as Ministerial visits and exchanges to discuss homelessness and affordable housing. The Department also contributed to the Government's international priorities such as the joint *Canada-European Union study* on the costs and benefits of a closer economic partnership, and the Government's Americas Strategy.

In advancing knowledge development in the international arena, the development of a family policy data base was supported at the Organization for Economic Cooperation and Development to ensure the availability of comparable data to assess the situation of families and to identify effective practices in supporting Canadian families.

The Department continued implementing initiatives under the 2003–2008 *Action Plan for Official Languages and its Horizontal Results-Based Management and Accountability Framework*. The Department enhanced its ability to coordinate the implementation of section 41, Part VII of the *Official Languages Act*, by developing a tool to support analysts. In 2007–2008, financial support was granted to official language minority communities through various initiatives including the Adult Learning, Literacy and Essential Skills Program. A total of $1.3 million in grants and contributions was allocated to literacy groups in official language minority communities, and $1.5 million was allocated to essential skills projects that included products and documentation in both official languages.

Human Resources and Social Development Canada has continued its work to raise awareness of and fully integrate gender considerations in the Department's policies and programs and to provide departmental employees with concrete tools to apply gender analysis in their work.

## Achievements Against Priorities

### Policy, Research and Communications

| Plan | 2007–2008 Achievements |
|---|---|
| **Priority:** Support human resources and social development policies of the Government of Canada | |
| Develop policies that support the Government's commitments to create new opportunities and choices for people to reach their full potential and build a better quality of life, and promote the inclusion and participation of all in society and the economy. | Medium-Term Policy Planning results (such as identification of emerging trends and challenges faced by Canadians) contributed to new policy development and informed decision-making. |
| Undertake an older worker feasibility study. | Supported the Expert Panel on Older Workers Report who were looking at potential measures to help older workers, including improved training and enhanced income support, such as early retirement benefits. |
| Contribute to the development and implementation of a Working Income Tax Benefit for low- and modest-income Canadians. | Worked closely with the Department of Finance in the early development and design stages of the Working Income Tax Benefit, and continued to assess its impact on low-income populations in Canada who claimed the benefit by filing an income tax and benefit return for 2007. |
| **Priority:** Develop and implement departmental frameworks and strategies | |
| Develop a long-term policy framework that integrates human resources and social development. | A Medium-Term Policy Planning Integrated Diagnostic was produced which identified priority areas for future human resources and social policy development. |
| Integrate and coordinate broad policy areas such as employment, adult learning, income security, social development and essential skills. | The Department focussed on strong management of its agenda, the development of strategies to achieve Speech from the Throne and Budget commitments, and the use of Medium-Term Policy Planning and the executive policy committees as tools to coordinate and integrate the Department's broad policy mandate. |
| Develop and implement a department-wide Knowledge Management Initiative. | The Department further developed a corporate Knowledge Management Strategy encompassing web-based tools, products and exchange venues, to facilitate the storage and transfer of knowledge. These initiatives are critical to realize the benefits of our knowledge investments and ensure better access by policy-makers to the knowledge necessary to formulate sound, evidence-based policy and program options. |
| Develop and implement an Agenda for Excellence. | A multi-year plan was created that encourages integration, collaboration, and the development of a culture of excellence across the Department. |
| Develop an integrated HRSDC Knowledge Plan - a medium-term strategy to develop and disseminate knowledge and facilitate knowledge exchange. | The Department developed a process to enable the identification of priorities in terms of knowledge creation (e.g., data plan, research plan), and to ensure knowledge resources are effectively managed and aligned with departmental priorities. |

| Plan | 2007–2008 Achievements |
|---|---|
| Strengthen strategies to include evaluation in the policy development process. | In 2007–2008, Human Resources and Social Development Canada continued to implement initiatives to strengthen evaluation contribution to the policy and program development process. These initiatives aimed at ensuring that evaluation results are effectively shared and used in support of policy and program development:<br>• Undertook a follow-up study on the implementation of all management responses included in evaluations approved between 2004–2005 and 2006–2007.<br>• Produced the Second Annual Report on the Evaluation Activities and Results, which presents a learning tool summarizing key findings for all evaluations approved between 2004–2005 and 2006–2007.<br>• Developed new evaluation products such as thematic studies on lessons learned from previous evaluations for improvement of both program/policy development and evaluation practice. |
| Analyse labour market and social trends that could impact the effectiveness of the Canadian Retirement Income System over the long-term and explore strategies to address these challenges. | To identify and address challenges to the Canadian Retirement Income System the Department conducted analysis of emerging trends and their potential long-term impact on the Canadian Retirement Income System and continued direct and indirect support for external research related to Retirement Income System trends and their implications.<br>Initiated discussions with external experts and stakeholders regarding their views on the current and future state of the Retirement Income System. |
| **Priority:** Advance knowledge development to support informed decision-making | |
| Develop rigorous, integrated knowledge and evidence to identify current and emerging social policy and human resources development issues, including the development, refinement or updating of: | Developed a new suite of research dissemination products, with a new 'look and feel', with special emphasis on highly readable short summaries of research reports. Translated approximately 70 previously completed policy research reports. |
| • A Data Plan - a coordinated, comprehensive strategy for data and survey planning; | The Department developed a comprehensive approach to manage the portfolio of surveys for which it provides funding. The planning and management approach to the data assets focused on balancing investments across the areas of our mandate and fulfilling various data requirements with respect to legal and mandatory obligations, international and inter-jurisdictional agreements, program reporting and evaluation, and policy/research priorities. |
| • A Research Plan to identify key research areas to inform policy and program development; | Completed a three-year Department Policy Research Plan, which included the management of hundreds of research projects, undertaken by staff or by the academic community. |
| • An Evaluation Plan to identify key areas for evaluation related to departmental policies and programs; | A long-term Program Evaluation plan (2007/2008–2011/2012) was developed and approved by the Management Audit and Evaluation Committee during the Summer 2007. The departmental Evaluation Plan meets Departmental and Treasury Board Secretariat requirements for timeliness quality and coverage.<br>Completed significant number of evaluations of intergovernmental initiatives including: Labour Market Development Agreements, National Child Benefit and Labour Market Policy Development. |

| Plan | 2007–2008 Achievements |
|---|---|
| • An Internal Audit Plan to identify key areas for risk-based audits related to departmental program activities and internal controls;<br>• Knowledge dissemination strategies to foster the sharing of high-quality knowledge including a national conference to promote ongoing dialogue with provinces, territories and external partners;<br>• A common knowledge base on social policy and human resources development trends. | Developed an integrated risk-based 2008–2011 Internal Plan.<br>The Department developed and released the Indicators of Well-being in Canada website, as a platform to disseminate information to other orders of government, external partners and the public on determinants of well-being. In addition, work proceeded with the development of the *Human Resources and Social Development Canada* Knowledge Web Portal in order to facilitate knowledge dissemination within the Department.<br>The Department in collaboration with other organizations supported knowledge exchange events to foster an informed dialogue with experts and other orders of government on policy and research issues.<br>Sponsored a roundtable "How Many Students will Canada's Universities and Colleges Have in the Coming Decades?", with the participation of stakeholders, researchers, program officers and policy makers.<br>Hosted a speakers series with five American experts on Current Issues in the United States of America Higher Education. |
| Promote consideration of international comparisons and benchmarking in development of policy initiatives to address human resources and social development priorities. | Human Resources and Social Development Canada's involvement in international organizations, conferences and study tours served to broaden perspectives on the policy directions other countries are pursuing and how those policies compare to Canadian approaches. Lessons learned internationally helped inform policy and program development. |
| **Priority:** Increase engagement and collaboration with provinces, territories, partners and Canadians through public involvement and other activities to ensure better, innovative and complementary policy initiatives | |
| Implement an engagement strategy and a Public Involvement Framework to guide all HRSDC public involvement activities in a manner that is coordinated and integrated both inter-departmentally and intra-departmentally. | The Department offered numerous opportunities for the stakeholder views and needs to be considered when developing policies, programs and services, including:<br>• An online public consultation on the Canada Student Loan Program.<br>• The Department consulted the public and experts through an online consultation on revisions and improvements to the national occupation classification system.<br>• Departmental officials hosted roundtable meetings, jointly with Citizenship and Immigration Canada, with stakeholders and citizens to discuss recent changes to the Temporary Foreign Worker Program and seek input on improvements.<br>• The National Seniors Council in hosting several series of roundtables across the country with experts, stakeholders and citizens on low-income and elder abuse issues. Results on these consultations will form the basis for advice and recommendations on issues related to seniors.<br>While initial plans for the 2007–2008 fiscal year also proposed activities such as hosting an annual stakeholder conference and coordinating a web-based citizens' panel, review of corporate stakeholder relations resulted in a refocusing of activity.<br>Information on the Department's consultation activities is available through a public consultations button on the home page of the department's website. |

| Plan | 2006–2007 Achievements |
|---|---|
| Continue to support and enhance federal-provincial/ territorial relations through formal meetings, consultations and working arrangements, which support the Government's effort to strengthen the economic union and continue to support the social union. | Led the implementation of the Federal- Provincial-Territorial approach set out in April 2007 to guide the achievement of policy directions outlined in Budget 2007 on key priorities: child care spaces, Post-Secondary Education, initial roll-out of the new labour market architecture, and the Canada Student Loan Program review.<br>Worked collaboratively with Provinces and Territories to prepare for Social Services Deputy Ministers' June 2008 retreat on Poverty and Early Childhood Development. |
| Develop mechanisms to engage provinces, territories and partners in developing integrated knowledge and evidence (e.g., External Advisory Committee on Knowledge). | Lessons learned from Labour Market Development Agreement evaluations were shared with Provincial-Territorial governments at a Federal-Provincial-Territorial Workshop with a view to developing a common understanding and identifying areas of possible improvement.<br>The Department continued to engage with interlocutors at the federal level as well as academic communities to identify gaps and relevant strategies to address those gaps, leading to the development of strategic plans in terms of data and research. It partnered, for instance, with Statistics Canada and external experts to enhance data and survey instruments that are used to conduct research and inform policy and program analysis and development. |
| Continue to support the Government of Canada's relationships with community sector organizations that play a key role in serving Canadians. | Consulted the Council of Canadians with Disabilities and other disability community stakeholders concerning their priorities for a possible *Canadians with Disabilities Act*.<br>In order to carry out its strategy for people with disabilities, Service Canada met twice with the Service for People with Disabilities External Advisory Group in 2007-2008 to receive advice and feedback on disability benefits and services. These consultations have informed the draft Policy on Services for the Deaf, Deaf-Blind, Deafened and Hard of Hearing. |
| Undertake and promote a broader analysis of the role of community in fostering social well-being by learning from existing comprehensive community collaborations aimed at assisting communities to become more economically and socially resilient. | Provided support in developing policy advice on the development of the Community Development Trust. This contributed to the establishment of a $1 billion trust fund for the provinces and territories to support communities across the country affected by lay offs and worker displacement.<br>Smooth and effective transition that saw community plans and projects approved under the new Homelessness Partnering Strategy. |

For more details on programs supporting this activity, please see Section IV – Other Items of Interest.

## Financial and Human Resources 2007–2008

### Policy, Research and Communication

| (millions of dollars) | PLANNED SPENDING | AUTHORITIES | ACTUAL |
|---|---|---|---|
| **Policy, Research and Communication** | | | |
| FINANCIAL RESOURCES (GROSS) | 197.5 | 210.9 | 199.3 |
| HUMAN RESOURCES (FULL TIME EQUIVALENTS) | 991 | 1,346 | 1,346 |

## Details by Program and Services 2007–2008

### Policy, Research and Communication

| Financial Resources (millions of dollars) | Planned Spending | Authorities | Actual |
|---|---|---|---|
| **Policy, Research and Communication** | | | |
| Strategic Policy | 20.5 | 43.6 | 47.6 |
| Strategic Analysis, Audit and Evaluation | 74.1 | 50.5 | 50.5 |
| Public Affairs and Engagement | 41.8 | 40.0 | 40.0 |
| Allocated Corporate Services[a] | 61.1 | 76.8 | 61.2 |
| **Total** | **197.5** | **210.9** | **199.3** |
| **Human Resources (Full Time Equivalents)** | | | |
| Full Time Equivalents | **991** | **1,346** | **1,346** |

[a] Corporate Services resources related to the Minister's Office, the Deputy Minister's Office, the Comptroller's Office and the Shared Services have been prorated to each program activity.

# Enhanced Canadian Productivity and Participation Through Efficient and Inclusive Labour Markets, Competitive Workplaces and Access to Learning

Among other factors, the recent success of the Canadian economy can be attributed to the skills and abilities of Canada's workers. Canada has one of the best educated, highly skilled and flexible labour forces in the world, which has ranked comparatively well in the Organization for Economic Co-operation and Development. These factors have enabled Canada to secure a productive and competitive position in the global marketplace and to prosper from opportunities within and outside of the country.

Canada's post-secondary, adult learning, literacy and essential skills, and skilled trades training systems continue to produce skilled people that are needed to maintain and improve our economic growth. Skilled workers contribute to productivity as they process information, perform tasks efficiently and effectively, and adapt to and use new technology.

Canada works hard to ensure its programming remains responsive to potential labour market challenges, and to afford employed and unemployed Canadians the skills training they need to pursue employment opportunities and the temporary financial assistance they need during transitions.

In order to continue to maintain its economic success as labour and skills shortages emerge in certain regions and occupations, Canada needs to facilitate the labour force participation of all Canadians. In collaboration with provincial and territorial governments and community organizations, the Department helps those who need help with skills development, work experience and employment supports. In particular, Departmental programs offered opportunities to youth-at-risk, persons with disabilities, and Aboriginals, among others.

The Department has three main program activities that assisted Canadians with income support, supported skills and learning, and access to post-secondary education.

The Labour Market and Workplace Skills programs were managed as one activity in 2007–2008. The aim of these program activities is to develop an efficient and inclusive labour force. The programs also serve to improve Canadian economic competitiveness by providing Employment Insurance and by fostering innovative, productive and inclusive workplaces, where workers are encouraged and supported to develop and use their knowledge, skills and abilities.

Program Activity

# Labour Market

In 2007–2008, one of the Department's priorities was to increase the workforce participation and develop the skills of Canadians by working with provinces, territories, the private sector and partners in the implementation of strategies that will eliminate barriers to employment and improve choices and opportunities. Through a suite of programs, the Department enhances Canadian productivity by ensuring that workers are self-reliant and adaptable to labour market change. For example, Canadians can access the employment insurance that they require to handle labour market transitions or to access skills training and development opportunities to pursue productive employment. In addition, new approaches to help address the skills needs of low-skilled employed workers, and of individuals who are not eligible for employment insurance benefits or programs, were developed in partnership with provinces, who are best placed to design and deliver labour market programming to individual Canadians. Skills Employment Branch is also responsible for delivering the programs and leveraging the partnerships that allow Canadians to increase their participation – by acquiring skills to compete in the labour market, and finding and maintaining meaningful and productive employment. Much of this programming is aimed at ensuring that the Canadian labour force is inclusive, and that under-represented groups such as Aboriginals, youth, older workers, and people with disabilities have access to the training services and tools for searching and acquiring meaningful employment.

## Strategic Outcome Indicators

### Labour Market

| Indicators | | | Results | |
|---|---|---|---|---|
| **Participation rate** | | | **2006** | **2007** |
| Data Systems & Controls Rating: | Good | 15 years or over | 67.2% | 67.6% |
| | | 15–24 years | 66.4% | 67.0% |
| | | 25–54 years | 86.2% | 86.6% |
| | | 55 years or over | 32.1% | 33.3% |
| **% of unemployed looking for work for one year or more (52 weeks and over)** | | | **2006*** 8.3% | **2007** 7.1% |
| Data Systems & Controls Rating: | Good | | * 2006 data revised as per Statistics Canada | |
| **Percent of youth (aged 15-24) not in the labour force nor in school** | | | **2006** 4.8% | **2007** 5.0% |
| Data Systems & Controls Rating: | Good | | | |
| **Unemployment Rates by Designated Group** | | | **2001** | **2006** |
| Data Systems & Controls Rating: | Good | Women | 7.2% | 6.6% |
| | | People with Disabilities | 13.2% | 10.4% |
| | | Aboriginal People | 19.1% | 14.8% |
| | | Visible Minorities | 9.5% | 8.6% |
| | | Older Workers | 6.0% | 5.2% |

The Employment Insurance program promoted individual economic stability and a flexible labour market by providing temporary income support to unemployed workers who qualify under Part I of the *Employment Insurance Act*. In 2007–2008, over 1.7 million Canadians received Employment Insurance benefits. A comprehensive reporting on the Employment Insurance program was done through the Monitoring and Assessment Report, tabled before Parliament annually. Detailed results on 2007–2008 will be available in April 2009. Preliminary results indicate that the program provided income support in the form of regular benefits to more than 1.2 million unemployed individuals. In addition, the program provided important supports to help individuals balance work and family responsibilities, including Canadian workers who took time-off work due to personal sickness (almost 300,000 Canadians in 2007–2008); workers who took time away from their jobs to care for a newborn or a newly-adopted child (nearly 200,000 new parents); and workers who cared for a gravely-ill person (5,700 caregivers). The Employment Insurance Summative Technical Reports confirmed that these Employment Insurance supports were important. The receipt of Employment Insurance benefits strongly contributed towards healthier work-life balance. For example, one study revealed that the parents' risk of being stressed was less if they were receiving Employment Insurance than if they were not (fathers: 16.2% vs. 33.9%; mothers: 6.6% vs. 17.0%).

An evaluation on the Employment Insurance Compassionate Care Benefit highlighted low program awareness and a lower take-up than originally anticipated, which is explained by the fact that 90% of working caregivers were able to make arrangements with their existing employers thereby avoiding the need for Employment Insurance. While the Employment Insurance system cannot address all aspects of the care-giving issue, the Compassionate Care Benefit was seen as a "good start" in addressing the needs of families in these situations.

The Department made significant contributions in the development of options and advice pertaining to the Employment Insurance program. Extensive analysis was undertaken and alternative approaches were developed regarding Employment Insurance financing, rate-setting and the Employment Insurance account. As a result of this work, Budget 2008 announced improvements to the management and governance of the Employment Insurance Account. Starting in 2009, a new rate-setting mechanism will ensure that Employment Insurance revenues and expenditures will break-even over time. The Canada Employment Insurance Financing Board, a Crown corporation, will be established and will report through the Minister of Human Resources and Social Development Canada. The Crown Corporation will be responsible for managing a separate bank account, implementing the improved rate-setting mechanism and maintaining a cash reserve. In addition, the Department provided support on other issues concerning Employment Insurance, including the Government of Canada decision to continue the Extended Employment Insurance Benefits pilot project until June 2009.

Throughout 2007–2008, Human Resources and Social Development Canada also made significant progress in ensuring the Employment Benefits and Support Measures under Part II of the *Employment Insurance Act* continued to respond to the needs of unemployed workers and employers, as well as government policy priorities. Specifically, Budget 2007 announced a new labour market architecture to support the goal of the Government of Canada to create the best educated, highly skilled and most flexible work force in the world. The Government of Canada took steps to negotiate the full transfer of Labour Market Development Agreements with the provinces and territories who had co-management agreements. The transfer agreements recognized that the provincial and territorial governments were best placed to design and deliver labour market training to individual Canadians. A devolved Labour Market Development Agreement was concluded with the Province of British Columbia while discussions and negotiations continue with the remaining provinces and the Yukon territory.

A second element of the new labour market architecture was the commitment of $3 billion (over six years) to a new type of labour market agreement outside of Employment Insurance. These new agreements address the skills needs of low-skilled employed workers and of individuals who are not eligible for Employment Insurance benefits or programs. Throughout 2007–2008, four new labour market agreements were concluded with provincial/territorial governments, with the remaining agreements currently under negotiation.

Human Resources and Social Development Canada recognized the importance of working in partnership with other federal departments and agencies, employers, unions, Aboriginal organizations, the voluntary sector and provinces and territories to successfully fulfill its mandate and meet the needs of unemployed

Canadians, including those who face barriers to labour force participation. The Department began the development of options for a successor to the Aboriginal Human Resources Development Strategy in 2007–2008. Much of the work that had been undertaken, such as stakeholder engagement, evaluations, research, and documentation of international experiences, will be used to further inform the successor strategy. Since its inception in 1999, the Aboriginal Human Resources Development Strategy has provided service to over 430,000 clients. More than 140,000 clients (including 59,000 youth and 10,000 persons with disabilities) found meaningful, productive jobs and 45,000 clients returned to school.

The Aboriginal Skills and Employment Partnership initiative was extended to 2012 and expanded to maximize Aboriginal employment on major economic developments across Canada. As a result of the 2007 Request for Proposal, projects will be implemented in partnership with Aboriginal organizations, private sector partners, provinces and territories, Aboriginal training institutions and other stakeholders. As a result of the Aboriginal Skills and Employment Partnership initiative, 1,439 Aboriginal clients were served in 2007-2008 with 2,395 interventions completed and 570 clients in employment.

The Government of Canada signed agreements with nine provinces and territories interested in participating in the Targeted Initiative for Older Workers. During 2007–2008, agreements were signed with Newfoundland and Labrador, New Brunswick, Saskatchewan, British Columbia and Northwest Territories, adding to the ones signed the previous year with Nova Scotia, Prince Edward Island, Quebec, and Yukon. For youth, the new Canada Summer Jobs implemented in 2007–2008 contributed to the creation of approximately 42,000 summer jobs for youth. This particular initiative focused on creating high quality, career-related jobs for youth and in helping organizations deliver important community services for children, families, persons with disabilities, seniors, and others.

The Department also administered Labour Market Agreements for Persons with Disabilities and the Opportunities Fund for Persons With Disabilities, which are reported separately under the Strategic Outcome for "enhanced income security, access to opportunities, and well-being for individuals, families and communities".

## Program Indicators

### Labour Market

| Program Indicators | 2007–2008 Target | Results |
|---|---|---|
| **Client Employed** | | |
| Number of clients employed and / or returns to school following an employment program intervention and as a proportion of the total number of clients who complete their employment program intervention (s). | Number Range: 205,000-225,000<br>Proportion: 55%-60% | Number: 221,787<br>Proportion: 60.76%<br>Data Systems and Controls Rating: Reasonable |
| **Job Ready/Job Search** | | |
| Number of Job Ready/Job Search[a] clients employed or returned to school following an employment program intervention.<br>[a] Job Ready / Job Search: support programs that help clients find a good job match as quickly as possible). | Number Range: 87,000-95,000 | 105,296<br>Data Systems and Controls Rating: Reasonable |
| **Developmental** | | |
| Number of clients who become employed or returned to school following a developmental[b] employment program intervention.<br>[b] Developmental: benefit programs that help clients gain work experience, improve job skills or start a new business. | Number Range: 118,000-130,000 | 123,845<br>Data Systems and Controls Rating: Reasonable |
| Number of clients participating in Skills Development and as a proportion of the total number of clients who participate in a developmental employment program intervention. | 85,000-94,000<br>68% | 75,203<br>65%<br>Data Systems and Controls Rating: Reasonable |
| Number of apprenticeship clients who received benefits provided through EI Part I or II. | 50,000-56,000 | 58,195<br>Data Systems and Controls Rating: Reasonable |

**Comments:** In December 2007, the Province of Alberta implemented a new integrated management information system. Due to the implementation of the new system, national employment program results include Alberta Labour Market Development Agreement data for the period of April 2007 to November 2007. The province and federal government are working to ensure the inclusion of full year Labour Market Development Agreement data from Alberta in the 2008 Employment Insurance Monitoring and Assessment Report when it is tabled in Parliament.

## Achievements Against Priorities

### Labour Market

| Plan | 2007–2008 Achievements |
|---|---|
| **Priority:** Increase the workforce participation and develop the skills of Canadians by working with provinces, territories, the private sector and partners in the implementation of strategies that will eliminate barriers to employment and improve choices and opportunities | |
| Work with Aboriginal partners, provinces and territories, and employers to reduce workforce barriers for Aboriginal peoples, strengthening and supporting the delivery of the Aboriginal Human Resources Development Strategy and Aboriginal Skills and Employment Partnership program. | • The Department actively engaged in strengthening its partnerships with Aboriginal groups, provinces and territories, employers, and Aboriginal Human Resource Development Agreement holders in order to achieve better outcomes for Aboriginal Canadians. The results of this engagement, combined with evaluation work, research, and lessons learned by international partners, were incorporated into the early development of a successor strategy to Aboriginal Human Resources Development Strategy. In addition, the Department participated in a multi-departmental demonstration project to improve service delivery for Early Childhood Development programs.<br>• The Department supported strengthened delivery of the Aboriginal Human Resources Development Strategy and Aboriginal Skills and Employment Partnership initiative by implementing the 2007 Budget commitment to re-invest in the Aboriginal Skills and Employment Partnership initiative. As a result of the 2007 Request for Proposal, projects began to be implemented with the partners in 2007–2008 and others will follow in 2008–2009. Through the Aboriginal Skills and Employment Partnership initiative, 1,439 Aboriginal clients were served in 2007–2008 with 2,395 interventions completed to help them overcome barriers, and 570 clients secured employment. |
| Continue work with provinces, territories, other government departments and stakeholders to assist targeted groups such as unemployed older workers and youth, with employment transitions. | • Targeted groups, such as unemployed older workers and youth, face different challenges or have different needs than the general population during employment transitions. As a result, the Department worked in partnership with provinces, territories, other departments, and stakeholders to ensure innovative and flexible programs were available to respond to the specific needs of targeted groups. In this regard, the Department extended the Youth Employment Strategy, the Enabling Fund for Official Language Minority Communities, Labour Market Agreements for Persons with Disabilities, and Opportunities Fund for Persons with Disabilities. It also negotiated Targeted Initiative for Older Workers agreements with five provinces/territories. Together, the tailored interventions of these programs helped Canadians with employment transitions. |

| Plan | 2007–2008 Achievements |
|---|---|
| Work with provinces and territories and stakeholders to examine the current array of labour market, employment and skills development programming in an effort to modernize labour market programming to meet the needs of employers and assist Canadians to find and keep jobs. | • The Department worked in collaboration with provinces, territories and stakeholders to examine existing programming and assess its ability to meet the needs of employers and to assist Canadians find and keep jobs. As a result, Labour Market Development Agreements and Labour Market Agreements were negotiated to better serve the needs of all Canadians. With respect to Labour Market Development Agreements, the Department engaged the co-managed Provinces and Territory in negotiations with the objective to move to a complete suite of transfer Labour Market Development Agreements. As a result, Canada and British Columbia signed a transfer Labour Market Development Agreement with implementation planned for February 2009. In order to ensure the Labour Market Development Agreements continue to remain responsive to the needs of employers and Canadians, the Department engaged the provinces and territories in discussions of evaluation findings and in the identification of best practices.<br>• The Department engaged all Provinces and Territories in negotiations to sign Labour Market Agreements that contain accountability and results reporting requirements. Labour Markets Agreements were successfully concluded with British Columbia, Saskatchewan, Manitoba, Ontario and New Brunswick. These Labour Market Development Agreements are designed specifically to assist Canadians find and keep jobs, as they provide programs and services to non-Employment Insurance eligible unemployed Canadians and low-skilled employed Canadians. |
| Continue to work with other government departments, stakeholders, and provinces and territories, to conduct program assessments to ensure continued relevance of youth employment programming. Specifically, for student summer employment, launch a new initiative focusing on creating high quality, career related jobs that would not otherwise be created and assisting students who could not otherwise find work as a result of where they live or the barriers they face. | • A Summative Evaluation of the Youth Employment Strategy, which includes results from Human Resources and Social Development Canada / Service Canada and all other participating departments, is currently being completed. Preliminary findings are positive and indicate that Youth Employment Strategy is still relevant to Government of Canada priorities and achieves the intended outcomes of increasing employability skills, helping youth find employment or return to school. In order to continue the program assessment and permit further study of Youth Employment Strategy programming without disrupting service delivery to clients, the Youth Employment Strategy umbrella and Human Resources and Social Development Canada specific Terms and Conditions were extended for an additional year and now expire on March 31st, 2009.<br>• Canada Summer Jobs was developed as a component of the Youth Employment Strategy. In 2007–2008, it contributed to the creation of approximately 42,000 summer jobs for youth. This particular initiative focused on creating high quality, career-related jobs for youth and in helping organizations deliver important community services for children, families, persons with disabilities, seniors, and others. |

| Plan | 2007–2008 Achievements |
|---|---|
| Continue work with Official Languages Minority Communities, through national committee, consultations and other initiatives, to facilitate and support effective partnerships with private and other public sector stakeholders to ensure the vitality of their local labour markets and economies. | • The Department actively provided guidance and support to Official Languages Minority Communities national committees in their work on improving local labour markets. The Department also supported Canadian Heritage's work on the evaluation of the Action Plan on Official Languages. Through these efforts, the Department ensured the Enabling Fund responded to employment and community development needs, a key ingredient in ensuring the vitality of local labour markets and economies. In addition, the Department provided funding (through Adult Learning, Literacy and Essential Skills Program) to support family literacy initiatives, projects and organizations. To ensure these contributions continue to make a difference in local labour markets, the funding and program authorities for the Enabling Fund were renewed until March 31, 2009, pending the new Government of Canada action plan on official languages. |

# Evaluations and Audits

A number of evaluations were carried out in 2007–2008, including the Employment Insurance Compassionate Care Benefit and the Employment Insurance Summative Technical Reports mentioned above. Some additional findings of the evaluations include:

- Employment Insurance has a beneficial impact by redistributing purchasing power; reduces the rate of poverty in the economy substantially, ranging from a reduction of about 20% in 1992 to 10% in 2002; and demonstrates little evidence of shifting dependence to Social Assistance due to tightening of Employment Insurance regulations;
- The 1996 Employment Insurance reforms are estimated to have saved $1.43 billion;
- The values of average annual Employment Insurance claims are much higher for both self-employed fishers and employees in the fishing, trapping and hunting category than for other seasonal industries;
- The percentage of fishers receiving fishing benefits has increased since the 1996 Employment Insurance reform;
- Over 80% of those reporting self-employed fishing income also report Employment Insurance income; and,
- In general, Canada's Employment Insurance program is slightly less generous than those in most Scandinavian countries, but is more generous than those in the United States and United Kingdom.

Additional detailed reporting on the Employment Insurance program is available in the annual Monitoring and Assessment Report of Employment Insurance.

Program Activity

# Workplace Skills

In 2007–2008, the key priority under Workplace Skills program activity was to enhance Canadian productivity and participation by working with provinces, territories, government departments and stakeholders in advancing multiple activities that include mobility, labour market information, the integration of immigrants, workplace skills development, the skilled trades and apprenticeships. Through programs in the skilled labour force cluster of programs, Skills Employment Branch is working with workplace stakeholders to encourage workplace skills development that responds to challenges in the workplace, and supports the mobility of skilled trade's workers in Canada. For instance, Skills Employment Branch has supported projects that test and evaluate promising, outcomes-focused approaches to skills development and human resources practices. The Department also enhances productivity and participation by contributing to the efficiency of the Canadian labour market. Through activities like enhancing foreign credential recognition and labour mobility initiatives, Skills Employment Branch has been able to contribute to fostering a better balance between national labour supply and demand. More specifically, through these programs Skills Employment Branch promotes the labour force integration of recent immigrants, the entry of temporary foreign workers, the mobility of workers across Canada, and the dissemination of labour market information.

## Strategic Outcome Indicators

### Workplace Skills

| Indicators | | Results |
|---|---|---|
| **Labour productivity growth, for business sector (based on annual averages)** | | **2006** 1.0% **2007** 0.5% |
| Data Systems & Controls Rating: Good | | |
| **Canada's productivity level as a % of the States' productivity level** | | **2006** |
| | Total economy | 81.4% |
| Data Systems & Controls Rating: Good | Business sector | 74.0% |
| | 2006 data represents the most current information | |
| **% of working-age Canadians who score below the literacy level which is considered the minimum to cope in today's economy and society** | | **2003** 42% |
| Data Systems & Controls Rating: Good | Updated results from Statistics Canada will not be available until 2010 | |
| **% of adult workforce who participated in job-related formal training** | | **2005** 27.6 % |
| Data Systems & Controls Rating: Good | 2005 data represents the most current information | |
| **Percent of adult workforce who participated in employer-supported job-related training** | | **2005** 20.2% |
| Data Systems & Controls Rating: Good | 2005 data represents the most current information | |

As noted above, the Labour Market and Workplace Skills program activities were operationally managed together in 2007–2008.

In 2007–2008, the Workplace Skills Strategy brought together a broad range of programs and services, and in working with provinces and territories and employers, produced innovative responses to skills issues and employers' requirements. The Department, in cooperation with the Canadian Council of Directors of Apprenticeship advanced the work of the Trades and Apprenticeship Strategy through joint work on research, essential skills, and other initiatives aimed at harmonizing apprenticeship training and improving inter-provincial examinations in the Red Seal trades. The Trades and Apprenticeship Strategy also supported awareness and engagement of employers on opportunities for Aboriginal Canadians in the skilled trades.

Human Resources and Social Development Canada worked to improve the capacity of Sector Councils to better align with the work of other government departments and pursue a unified or "whole of government" approach to address national skills and labour market issues. As such, the Program designed and implemented cross-sectoral, multi-partners models (skills tables) to better support Government of Canada initiatives of other departments. The Program continued to strengthen linkages, increasing collaboration and sharing best practices with national and provincial sector councils. Annual performance indicators collected by the Sector Council Program indicate that council-sponsored training programs have increased over the past three years.

Moreover, the Workplace Skills Initiative funded innovative projects which responded to a range of skills-related challenges in Canadian workplaces in order to improve productivity and position Canada to effectively compete in the global knowledge-based economy. A total of 25 Workplace Skills Initiative projects were funded from the Second Call for Proposals issued in 2007–2008.

The Literacy and Essential Skills program was transferred to the Skills and Employment Branch during the year in recognition of the importance of such skills among adults striving to find and retain employment as well as to families and communities. While full reporting on results is included below under the Learning program activity, the program was fully integrated into the Labour Market and Workplace Skills program activities during the year.

Final results of evaluations will not be available until 2008-2009, but the Interim Evaluation of the National Literacy Program was approved in October 2007, and key findings and lessons learned are informing policy and program development regarding literacy awareness. Overall, the National Literacy Program was found to be compatible with both the federal government's and the Department's priorities with respect to the inclusive participation of all Canadians in the knowledge-based economy. It was also found to be supporting activities which stakeholders identify as needing federal government support. Further evidence collected from funded organizations and literacy practitioners showed learners benefited from the program by strengthening or developing new skills. The results of these evaluations are being taken into account to ensure a smooth transition to the new "Adult Learning, Literacy and Essential Skills Program".

The Department has played an important role in supporting efforts of provinces/territories and their regulatory bodies to ensure that Canadians can work anywhere in Canada without restrictions. It provided funding assistance and technical advice to support regulators, to facilitate progress on labour mobility issues, and to secure compliance with the Agreement on Internal Trade. Moreover, the Department, along with provinces and territories, continues to explore ways to improve the Agreement on Internal Trade Labour Mobility Chapter (Chapter 7) and make it a stronger and more effective means for reducing barriers to labour mobility, as they undermine the overall efficiency of Canada's labour market.

Human Resources and Social Development Canada, in collaboration with key stakeholders, has worked to improve the integration of internationally trained workers into the labour force as it facilitated the assessment and recognition of qualifications acquired outside of Canada. The Department supported the launch of the Foreign Credential Recognition Office, now located at Citizenship and Immigration Canada, and played a key role in the development of the governance framework with provinces, territories, and other government departments. Program authorities for the Foreign Credential Recognition Program were also extended for an additional year.

During 2007–2008, in order to respond to skill and labour shortages, the Department made significant improvements to the Temporary Foreign Worker Program, including launching the Expedited Labour Market Opinion pilot project in British Columbia and

Alberta. A range of other program changes were initiated in line with commitments made in Budget 2007, including the exploration of new monitoring and compliance procedures, regulatory changes (in cooperation with Citizenship and Immigration Canada), and new approaches to address employers' demand for temporary foreign workers with respect to large projects such as the oil sands. In order to strengthen protection of foreign workers, Human Resources and Social Development Canada has concluded an information sharing agreement with Alberta, and preliminary discussions and/or negotiations continue with other provinces and territories. The Department also worked to strengthen delivery partnerships with other federal departments such as Citizenship and Immigration Canada and Canada Border Services Agency, as well as with provincial and territorial governments. For example, there was close collaboration with Citizenship and Immigration Canada on the development of improved procedures for the approval of Labour Market Opinions and the issuance of work permits for groups of employers.

**Program Indicators**

Workplace Skills

| Program Indicators | 2007–2008 Target | Results |
|---|---|---|
| Percentage of Sector Councils that meet or exceed expected level of performance. | 90% | 95%<br>Data Systems and Controls Rating: Good |
| Increase in the number of trades people who are fully mobile in Canada through Red Seal endorsement. | 17,000 | 21,087<br>Data Systems and Controls Rating: Good |
| Portion of skilled immigrants in occupations targeted by systemic Foreign Credential Recognition interventions. | 53% | 53.7%<br>Data Systems and Controls Rating: Good |

## Achievements Against Priorities

### Workplace Skills

| Plan | 2007–2008 Achievements |
|---|---|
| **Priority:** Implement key components of the workplace skills strategy by working with provinces, territories, government departments and stakeholders in advancing multiple activities that include mobility, labour market information, the integration of immigrants, workplace skills development, the skilled trades and apprenticeships. | |
| Enhance the Foreign Worker Program by implementing a series of improvements designed to support faster and more efficient entry of foreign workers as appropriate to respond to regional, occupational, and sectoral labour demands. | The Department implemented a series of improvements in the Temporary Foreign Worker Program, resulting in reduced backlogs of employer requests for Labour Market Opinions. An Expedited Labour Market Opinion pilot was implemented to test a new process to reduce processing time. These improvements will help support faster and more efficient entry of foreign workers. The Department also engaged with employers, labour groups, non-government organizations, and temporary foreign workers in order to acquire a deeper understanding of the challenges to improving program design and delivery. In addition, the Department strengthened its partnerships by expanding Temporary Foreign Worker Federal-Provincial Working Groups to Manitoba and Saskatchewan, participated in the multi-lateral Federal-Provincial-Territorial Immigration Working Group, and concluded an information sharing agreement with Alberta. |
| Support the creation, adoption, testing and sharing of promising tools and approaches to workplace skills development by encouraging employers to invest in the skills of their employees through the Workplace Skills Initiative. | The Workplace Skills Initiative is a primary means for developing and identifying promising tools and approaches to skills development in workplaces. The Second Call for Proposals focused on older workers, low-skilled workers and newcomers to Canada, and 25 projects have been funded. The Third Call for Proposals has been developed, with an added focus on innovative approaches to organizational changes to workplace environments that contribute to the improved productivity of Canadian firms. In addition, the Department initiated an extensive engagement strategy to increase awareness, visibility and uptake of the initiative and it conducted a Project Recipients Workshop in order to share preliminary project information and results. |
| Work with provinces, territories and partners on labour mobility issues, including recognizing credentials (both domestic and foreign) and licenses granted by other jurisdictions, removing barriers and enhancing the labour mobility of Canadians, by April 1, 2009, and determine what additional assistance the Government of Canada can provide to accelerate these efforts. | The Department supported the launch of the Foreign Credential Recognition Office and contributed to development of the Governance Framework in conjunction with provinces and territories and other government departments. This was complemented by developing future strategic directions for the Foreign Credential Recognition Program; launching the Foreign Credential Recognition Program summative evaluation; and updating the Working in Canada Tool and section of the Going to Canada Immigration Portal (**www. goingtocanada.gc.ca**).<br><br>In order to ensure labour mobility for all Canadians, recommendations were developed for amending Chapter 7 of the Agreement on Internal Trade in partnership with all provinces and territories through the Forum of Labour Market Ministers. In addition, the Department directly supported (through contribution agreements) 11 regulated professions and provided indirect (non-financial) support and advice to all other regulated professions in order to enhance labour mobility and compliance with the Agreement on Internal Trade. |

| Plan | 2007–2008 Achievements |
|---|---|
| Continue to work with internal and external partners, provinces and territories to enhance labour market information, products and services and improve pan-Canadian consistency, to help users make optimal, informed labour market decisions. | In order for individuals, partners, provinces and territories across Canada to make optimal, informed labour market decisions, they need high quality labour market information. In this regard, the Department provided pan-Canadian labour market information through completion of Essential Skills Research profiles (98% annual target occupations completed) and initiated pan-Canadian consultations for National Occupational Classification 2011 revisions.<br>The Department cannot provide this high-quality information alone, and works in partnership with many stakeholders, including with Federal-Provincial-Territorial Forum of Labour Market Ministers Working Groups. For example, the Department worked with provinces and territories to produce a technical handbook to support the development of labour supply and demand products. Human Resources and Social Development Canada also improved access and dissemination of high quality and comparable labour market information across jurisdictions through the NOC Web Service and Web Site, the Going to Canada – Immigration Portal, and the Working in Canada Tool. |
| Implement the Trades and Apprenticeship Strategy and the Apprenticeship Incentive Grant in consultation with the Canadian Council of Directors of Apprenticeship. | During 2007–2008, the Department completed the first full year of delivering the Apprenticeship Incentive Grant including the completion of the national advertising campaign, processing 52,697 applicants and issuing 30,781 grants. In addition, it advanced work on priorities under the Trades and Apprenticeship Strategy including boosting Aboriginals' participation and the recognition of military trades. |
| Work with provinces, territories and other workplace stakeholders to improve skills levels by strengthening the capacity of employers to develop workplace tools, models and other supports. | Department created the Office of Literacy and Essential Skills in April 2007. During 2007–2008, the Office developed and disseminated literacy and essential skills tools and resources to help employers integrate literacy and essential skills activities into the workplace. The Office also ran its first Call for Proposals to support projects that would develop additional literacy and essential skills knowledge, tools and supports, and disseminate them to those who need them most. This knowledge will help strengthen the capacity of all organizations involved, including employers. The Department also improved processes to strengthen Federal / Provincial / Territorial relationships on topics of literacy and essential skills for the future. |
| Continue the renewal of the Sector Council Program by strengthening the sector council network and improving program responsiveness through the introduction of new partnership models to address pressing human resources needs in key sectors of the economy. | In pursuit of new partnerships and a "whole of government" approach, initiatives were undertaken with Natural Resources Canada, Transport Canada and Industry Canada to address the challenges of key sectors of the economy. The Department also strengthened the network of Sector Councils and improved program responsiveness through annual performance review of the Councils. To extend the impact and relevance of Sector Councils, partnerships (skills tables) were forged between them and other government departments, the provinces, territories and the private sector on skills and learning issues. For example, Canadian Council of Professional Fish Harvesters realigned projects in support of the Department of Fisheries and Oceans priorities. |

# Evaluations and Audits

Multiple evaluations were undertaken throughout 2007–2008 (see Section III), however, final reports for these evaluations will not be available until 2008-2009. One interim evaluation, however, was completed in 2007–2008 on the National Literacy Program with key findings and lessons learned which will be used to further inform policy and program development regarding literacy awareness, programming and access across Canada. The Interim Evaluation of the National Literacy Program was approved in October 2007. The purpose of this interim evaluation was to acquire information to help strengthen or improve the overall performance and outcomes of the National Literacy Program, and as noted above, the results of these evaluations are being taken into account to ensure a smooth transition to the new "Adult Learning, Literacy and Essential Skills Program".

# Lessons Learned

The lessons learned described below relate to both the Labour Market and Workplace Skills Program Activities.

## A. Cross-cutting

i. **Reorganization**. Human Resources and Social Development Canada has experienced a series of organizational changes in recent years, all with the objective of striving for excellence in policy development, program design, and delivery of labour market and social programs for Canadians. What became evident in 2007–2008 was that stakeholders and clients, provinces and territories, those with whom the department needed to partner to be successful at achieving its objectives in the areas of labour market and workplace skills programs, could not understand nor respond effectively to the arbitrary distinctions being made between these two program activities. As a result, the activities were brought together within a single organization and efforts began to create a vision and a mission and an understanding among all staff of how meeting the needs of Canadian workers (whether employed or unemployed), potential workers (whether Aboriginal Canadians, persons with disabilities, or youth) and of employers had to be approached in an integrated manner.

ii. **Federal / Provincial / Territorial Partnerships**. Dissemination of best practices and lessons learned and active ongoing engagement of partners are key to the effective design and delivery of labour market and workplace skills programs. After more than ten years of devolved Labour Market Development Agreements with some provinces and territories, and as the Department renewed its efforts to devolve all agreements, it was realized that few efforts had been made to share the findings of evaluations, the best practices, or the lessons learned from international experience. As a result, through the Forum of Labour Market Ministers and other avenues, the Department actively supported meetings, workshops and partnerships in 2007-2008 to ensure knowledge of what works in meeting the needs of Canadian workers and potential workers is disseminated broadly.

iii. **Grants and Contributions**. During 2007–2008, a Departmental Audit on Segregation of Duties identified areas for improvement in Human Resources and Social Development Canada activities. In particular, the audit outlined the need to:

   i. Review and standardize business processes and practices;

   ii. Reinvigorate the Common System for Grants and Contributions;

   iii. Reinvigorate training for employees managing Grants and Contributions; and,

   iv. Develop a framework to guide the development of service standards.

   As part of its ongoing commitment to excellence in the management of Grants and Contributions in the Labour Market and Workplace Skills Program Activities, the Department responded by:

   - Standardizing processes and practices across the the Grants and Contributions programs in these Program Activities;
   - Implementing Segregation of Duties across all nationally delivered programs through the creation of a single office responsible for agreements, activity, and financial monitoring;

- Creating training strategies for staff involved in Grants and Contributions; and,
- Developing and implementing service standards, a more strategic risk assessment and management approach, and enhanced quality control processes.

## B. Specific Programs

i. **Employment Insurance** – Part I. Through the evaluations of the Employment Insurance Summative Technical Report, the analysis of individual-level trends and the effect of past claims history suggest that the longer an individual can avoid making a subsequent claim, the lower the risk that a claim will be made in the future. Indicators for local labour market conditions and the program generosity effects indicate that both of these factors play independent roles in the likelihood of filing a claim, and can be taken into account in policy analysis and program design. Aspects related to work/life stress were also identified which will be used to help integrate work/life balance concerns with other Employment Insurance goals.

ii. **Employment Insurance** – Part II. Evaluation results of the Employment Benefits and Support Measures highlighted that administrative data can provide rich information about program participants and trends in the success of specific interventions. To enhance the quality of administrative data and its use in guiding policy development, information should be collected throughout a client's participation in a program and the evaluation process. This was incorporated into the approach to the Labour Market Agreement accountability framework.

iii. **Temporary Foreign Worker Program**. With the increasing labour and skills shortages emerging in certain regions and occupations, the demands on the Temporary Foreign Worker Program had reached a point at the beginning of 2007–2008 where in the western provinces of Alberta and British Columbia, backlogs for the processing of labour market opinions were up to 26 weeks. An assessment of the factors contributing to these backlogs determined that one of the reasons was that application forms being received from employers were incomplete or inaccurate. As a result, extensive efforts were made throughout the year to meet with employers, employer associations, and trade organizations to explain the requirements of the program and the obligations of employers seeking to bring foreign workers into Canada to work temporarily. These outreach efforts combined with the publication of a series of bulletins and brochures to raise awareness of the program has contributed to significant reductions in the time necessary to process applications and, as a result, reductions in the backlogs.

Program Activity

# Learning

Canadians recognize that learning is vital to sustain the productivity, competitiveness and prosperity of the country and the well-being of Canadians. Reflective of this recognition, Canada's economic plan, Advantage Canada identifies "creating the best-educated, most skilled and most flexible workforce in the world" as one of the five key priorities to gain a global competitive advantage.[7] The Canadian Council on Learning also concluded that, in a fast changing, knowledge-based global economy, there is an increasing demand for an educated and productive workforce."[8]

The importance of investing in postsecondary education and its impact on Canada's economy is further outlined in the *Price of Knowledge*.[9] This report shows that investing in post-secondary education yields a substantial benefit for the economy and employers in terms of employment, a considerable increase in the amount of tax base for governments and significant reductions of government transfers such as social assistance. In addition, research shows that higher education and training results in a more educated population which is strongly linked to safer communities, a healthy population, a sustainable environment, higher levels of volunteerism and charitable giving, a greater appreciation of diversity and a stronger social cohesion.

Human Resources and Social Development Canada assisted Canadians during 2007–2008 to access the learning opportunities they need to increase their skill levels and participate more fully in a knowledge-based economy and society by:

- promoting awareness of the importance of learning and the need to save, plan and pay for post-secondary education;
- facilitating access for students to post-secondary education;
- collaborating with provincial and territorial governments and other key stakeholders on the delivery of learning programs and services; and
- researching and disseminating information on the benefits of learning for individuals, the economy and society.

As part of its mandate, the Department works with provincial and territorial governments, financial institutions, universities and other key stakeholders to deliver its programs and services. The Department also manages a Horizontal Initiative, the Canada Student Loans Program[10] and manages the Department's relationship with The Canada Millennium Scholarship Foundation with which the Government of Canada has a funding agreement.[11] The Canada Millennium Scholarship Foundation is a private, independent organization created and funded by an act of Parliament in 1998.

The Learning Branch managed relations between the various participating organizations, developed policies and guidelines to ensure the relevance and effectiveness of its programs, and worked with stakeholders to strengthen partnerships and introduce changes to further streamline its program delivery.

## Reduced financial barriers to participation in post-secondary education

Following the commitments made in Budget 2007, the Learning Branch undertook a public consultation to review financial assistance to students which

[7] For more information see **http://www.fin.gc.ca/ec2006/plan/pltoce.html**

[8] **http://www.ccl-cca.ca/NR/rdonlyres/BD46F091-D856-4EEB-B361-D83780BFE78C/0/PSERe-port2006EN.pdf**

[9] Junior S. & Usher A. (2004). Price of Knowledge. Access and Student Finance in Canada. Millennium Research Series. Canada Millennium Scholarship Foundation. **http://www.millenniumscholarships.ca/en/research/PriceKnowledge.asp**

[10] ...For more information see **http://www.hrsdc.gc.ca/en/learning/canada_student_loan/index.shtml**

[11] ...For more information see **http://www.millenniumscholarships.ca/en/index.asp**

included consultation about the future of the Canada Student Loans Program. The review's recommendations resulted in announcements in Budget 2008 that will:

- provide $123 million over four years to streamline and modernize the Canada Student Loans Program;
- make Registered Education Savings Plans more attractive by increasing limits and flexibility; and
- provide a new consolidated Canada Student Grant Program with an annual investment of $350 million in 2009–2010, rising to $430 million in 2012–2013.

The new consolidated Canada Student Grant Program will provide students from low and middle-income families with a grant equal to $250 and $100 per month respectively. Students with permanent disabilities will be eligible for a grant of $2,000 per year and up to $8,000 per year for those with special education needs. Students with children will be eligible for a grant of $200 per month for each child under the age of 12.

The Canada Student Loans Program helps lower financial barriers to access post-secondary education for Canadians with demonstrated financial need.[12] During 2007–2008, approximately 460,000 (461,500 in 2006–2007) borrowers benefited from the Program. Approximately 58,500 (49,600 in 2006–2007) Canada Study Grants and over 34,700 (39,000 in 2006–2007) Canada Access Grants were awarded to students to increase the participation of under-represented groups in post-secondary education. The Learning Branch's investment in loans and grants for students to attend post-secondary education during 2007–2008 included $1.1 billion in loan, $161.5 million in Canada Study Grants and Canada Access Grants and other costs of $333.1 million.

While some borrowers rely on the Canada Student Loans Program for a marginal amount of financial assistance, the majority have a substantial dependence on assistance provided by the program. Based on a 2008 survey, 69% of Canada's student loan borrowers reported that they would have been severely impacted if they had not received a government student loan.[13] The result shows that a high proportion of borrowers have a strong dependence on this Program and that the Program clearly has a consequential impact in contributing to the reduction of financial barriers to post secondary education for Canadians with demonstrated financial need. This same survey also found that 75% of borrowers were satisfied with the overall quality of services provided by the Canada Student Loans Program.

The Program also made progress in reducing the level of defaulted student loans; the Actuarial Report of the Office of the Chief Actuary for the program revised its estimate of the default rate from 35% to 20%.[14] The reduction of default rates has been primarily achieved by improved efforts in communicating with borrowers.

In addition, in 2007, the Canada Millennium Scholarship Foundation supplied $358.0 M in bursaries and scholarships, for a total investment of $ 382.8 M (including operating costs). The Canada Millennium Scholarship Foundation awarded 101,165 bursaries averaging $3,000 to post-secondary students based on financial need. In addition, 28,431 access bursaries were awarded with a cumulative value of $48.2 million to students from low-income families. The Canada Millennium Scholarship Foundation also awarded 3,135 millennium excellence entrance and national in-course excellence awards, valued at $4,000 or $5,000, depending on the type of award.

The Canada Millennium Scholarship Foundation was established with an endowment in 1999 for a ten-year period. It is set to expire in 2009. The 2008 budget stipulates that the Foundation will be dissolved in July 2010. The Government of Canada will introduce a new grant, the Canada Student Grant for the 2009–2010 academic year, to replace the Canada Millennium Scholarship Foundation and the patchwork of federal student grants.

The Canada Education Savings Program encourages Canadians to save for the post-secondary education of their children. During 2007–2008, this program implemented the changes resulting from Budget 2007 commitments. These changes increased the flexibility of Registered Education Savings Plans by eliminating

[12] The Canada Student Loans Program also reports annually to Canadians and Parliament on its achievements and performance in its Annual Report. For more information see, **http://www.hrsdc.gc.ca/en/hip/cslp/Publications/01_pu_publications.shtml#reports**

[13] Severely impacted means that a student would have either not been a student (for example, not enrolled or dropped out) or reduced their course loads, enrolled part-time or changed their education institution or program had they not received a government student loan.

[14] **http://www.osfi-bsif.gc.ca/app/DocRepository/1/eng/reports/oca/cslp06_e.pdf**

the $4,000 limit on annual contributions and by increasing the lifetime contribution limit to $50,000 from $42,000 and by raising the maximum annual grant amount paid from $400 to $500.

As a result of this Program, families have been saving more for their children's post-secondary education and at an earlier age. The average age at which children received their first Canada Education Savings Grant has dropped from age 8 ten years ago to 4.2 years in December 2007. Registered Education Savings Plan assets increased to $23.5 billion in December 2007 (from $21.3 billion in December 2006). In addition, in 2007 more than 215,000 (about 192,240 in 2006) Canada Education Savings Grant beneficiaries attended post-secondary education institutions with $1.3 billion ($1.07 billion in 2006) of assistance from their Registered Education Savings Plans. Lastly, the Canada Learning Bond take-up increased to 11.8% by December 2007 from 5.8% in December 2006. This means that approximately 48,000 eligible low income families opened Registered Education Savings Plans and received a Canada Learning Bond in 2007. The percentage of children (ages 0-17) who have ever received a Canada Education Savings incentive increased to 37% by December 2007 (34% at December 2006), surpassing the program's target of 36%.

During 2007-2008, the Department also increased awareness of the importance of saving for post-secondary education by launching the Education Savings Community Outreach initiative. This initiative supports projects that enable the development and delivery of outreach activities so as to inform, encourage, and direct Canadians to save for post-secondary education.

The investment in savings for postsecondary education during 2007-2008 included $580 million in Canada Education Savings grants, $35.8 million in Canada Learning Bond payments, $1.2 million in Education Savings Community Outreach contributions and $10.1 million of operating costs for a total of $627 million.

See also the "Achievement Against Priorities" portion of this Departmental Performance Report for additional results related to "reducing financial barriers to participation in post-secondary education".

### Increased access to international education

The International Academic Mobility Initiative supported 64 projects with a contribution of $2.7M in collaboration with international partners, enabling 271 Canadian students to participate in international learning and skills acquisition activities.

### Reduced non-financial barriers to participation in adult learning and Increased awareness of the benefits of lifelong learning and literacy

Strengthening adult learning, literacy and essential skills was a key initiative for the Department. The Office of Literacy and Essential Skills was established in April 2007 to become a centre of expertise to improve the literacy and essential skills of adult Canadians. Drawing on research, stakeholder and client feedback, evaluations, and both Canadian and international best practices the Department brought together literacy and essential skills programming to improve overall program efficiency and effectiveness and to better respond to an evolving labour market. The Office also promoted an understanding of the importance of the integration of literacy and essential skills into other programs and policies, developed working relationships with other government departments and strengthened federal/provincial/territorial relations.

In March 2008, the Department launched a new iteration of the CanLearn web site which contains a new section dedicated to helping Canadians explore lifelong learning. It has an overview of the different categories of lifelong learning, highlights its benefits, and provides tips and tools to research post secondary education opportunities. Users are also informed of the Canada Revenue Agency's Lifelong Learning Plan, which allows Canadians to withdraw money from their Registered Retirement Savings Plan to pay for training or education.

The Department worked with Statistics Canada to develop the Access and Support to Education and Training Survey which, amongst other things, will ask Canadians about their attitudes towards adult learning and their views on education and training. A key goal of this survey is to measure Canadians' awareness of the benefits of lifelong learning. The Department also worked to increase awareness of the importance of saving for post-secondary education through the Education Savings Community Outreach initiative. This initiative supported projects that inform and encourage Canadians to save for post-secondary education.

In order to improve its ability to measure its performance the Learning Branch also developed a strategy that provides a framework for the improvement of its performance indicators. The Strategy includes a logic model, a currently possible as well as an ideal set of performance indicators, data collection templates for the indicators, and an overall performance storytelling template. The Strategy provides a framework that the Learning Branch can use to continue to improve its performance measurement over time. This will improve the Learning Branch's ability to demonstrate accountability and value for money.

## Strategic Outcome Indicators

### Learning

**Indicators**

Percentage of the Canadian labour force (aged 15-64) that have attained a post-secondary education certificate, diploma or degree (63.7% Annual Average for 2007 for 25-64 year olds). (For Canadians in the labour market)

**PSE Attainment Rates – Canadians in Labour Force**

**2007 Actual – Annual Average**

| Years of Age | 15-24 | 25-64 | 65+ | Total |
|---|---|---|---|---|
| Trades, Certificate or diploma | 5.5% | 12.4% | 14.7% | 11.3% |
| College & University (below bachelor) | 14.5% | 25.2% | 15.2% | 23.3% |
| Bachelor's degree | 5.9% | 18.1% | 12.5% | 16.0% |
| Graduate degree | 0.7% | 8.1% | 10.8% | 6.9% |
| **Total** | **26.7%** | **63.7%** | **53.3%** | **57.5%** |

Data Systems and Controls Rating: Reasonable

**Indicators**

Percentage of Canadians (15 years and older) who have attained a post-secondary education certificate, diploma or degree by age group (Total of 60.3% Annual Average for 2007 for 25-64 year olds). (For all Canadians)

| PSE Attainment Rates – All Canadians 2007 Actual – Annual Average | | | | | Organization for Economic Co-Operation and Development 2005 | |
|---|---|---|---|---|---|---|
| Years of Age | 15-24 | 25-64 | 65+ | Total | 25-64 | Canada's Rank in Organization for Economic Co-Operation and Development |
| Trades, Certificate or diploma | 3.7% | 12.0% | 10.8% | 10.5% | 12.0% | 1st |
| College & University (below bachelor) | 11.9% | 23.7% | 12.0% | 20.0% | 23.0% | 1st |
| Bachelor's degree | 5.1% | 17.1% | 6.8% | 13.5% | 23.0% | 6th (Tied with Korea and Australia) |
| Graduate degree | 0.6% | 7.5% | 4.5% | 5.9% | | |
| **Total** | **21.4%** | **60.3%** | **34.0%** | **49.9%** | **58.0%*** | **1st Overall** |

Data Systems and Controls Rating: Reasonable

- This total includes total tertiary education (of 46% as usually reported by the Organization for Economic Co-operation and Development) as well as trades, certificates or diplomas (of 12%).

Proportion of Canadians who were enrolled in university or college, by age group and overall for 15-64 and 25-64 years of age (Annual Average for 2007)

| Proportion of Canadians Attending University or College | | | | |
|---|---|---|---|---|
| Age Groups | Full-Time | Part-Time | Total 15-64 | Total 25-64 |
| 15-24 | 25.9% | 2.6% | 28.5% | N/A |
| 25-34 | 5.6% | 3.2% | 8.8% | 8.8% |
| 35-44 | 1.7% | 1.9% | 3.6% | 3.6% |
| 45-54 | 0.5% | 0.9% | 1.4% | 1.4% |
| 55-64 | 0.1% | 0.6% | 0.6% | 0.6% |
| Overall 15-64 | 6.6% | 1.8% | 8.4% | 3.6% |

Data Systems and Controls Rating: Reasonable

Post-secondary participation of 18-21 year-olds by family income (2001)

Note: The data for this chart is no longer being produced

| Family After-tax Income Quartile | PSE Participation | |
|---|---|---|
| | University | College |
| Lowest | 21% | 30% |
| Lower-middle | 25% | 32% |
| Upper-middle | 30% | 37% |
| Highest | 38% | 30% |
| Overall | 29% | 32% |

Data Systems and Controls Rating: Reasonable

## Program Indicators

### Learning

| Program Indicators | 2007–2008 Target | Results |
|---|---|---|
| Percentage of Canada Student Loan borrowers who would have been severely impacted if it were not for the loan. | 71% | 69%<br>Data Systems and Controls Rating: Good |
| **Comments:** The margin of error for this survey was plus or minus 2%. Therefore, the result is within the margin of error for the survey. | | |
| Client satisfaction with the overall quality of services provided by the Canada Student Loans Program. | 75% | 75%<br>Data Systems and Controls Rating: Good |
| Percentage of children 0-17 who have ever received a Canada Education Savings Incentive. | 36% | 37%<br>Data Systems and Controls Rating: Good |
| **Comments:** Target was exceeded because of increased Registered Education Savings Plan contribution and grant limits announced in the 2007 Budget. | | |

## Achievements Against Priorities

### Learning

| Plan | 2007–2008 Achievements |
|---|---|
| **Priority:** Enhance management and delivery of learner support programs by ensuring programs are efficient, effective and produce results for Canadians | |
| Undertake a review of Canada Education Savings Program operations and evaluate the impact of recent program changes. | In 2007–2008, the Department completed a review of the operations of the Canada Education Savings Program. Results indicate that the Canada Education Savings Program has an efficient service delivery model and that it has helped families save for the post-secondary education of children. The review recommended improvements to communications and outreach as well as some to program delivery and our performance measurement frameworks. Canada Education Savings Program implemented some of the recommendations in 2007–2008 and will continue to make improvements in the future. |
| Assess measures to increase low-income Canadians families' awareness and uptake of education savings incentives, and to increase awareness of the importance of planning and saving for post-secondary education. | The Department conducted surveys to assess the effectiveness of its measures. The main conclusions were that awareness of post-secondary education savings incentives and the importance of planning and saving for post-secondary education is still relatively low. As well, if Canadians had known more about the incentives available to them, most would have participated. Lack of awareness is particularly problematic for low and middle income families. As a result, the Department has stepped-up efforts to increase awareness through television advertising and direct contact with eligible families. |
| Transition to the selected Canada Student Loans Program Service Provider and renegotiation of Integration and Costing Agreements for the integrated delivery of student financial assistance with the four integrated provinces. | The Canada Student Loans Program successfully concluded the transition to a new service provider for the delivery of federal loans as well as for delivery of provincial loans in integrated provinces (Ontario, Saskatchewan, New Brunswick and Newfoundland and Labrador). This was completed with little disruption to borrowers while maintaining the integrity and privacy of the borrower's data and information being transferred and consolidated with one Service Provider. At the same time, Integration Agreements with the four integrated provinces were renewed to reflect the selected Service Provider contract. These agreements are important because they simplify the student financial assistance experience for borrowers by integrating the administration of their federal and provincial loans. The new service provider contract will help to ensure the new service provider's activities are designed to further reduce default rates and improve borrower satisfaction. |

| Plan | 2006–2007 Achievements |
|---|---|
| Implement the government's new direction to re-target the Adult Learning, Literacy and Essential Skills Program in order to ensure that it is delivered in an efficient and effective manner. | In April 2007, the Office of Literacy and Essential Skills was established to support efforts to create the best-educated, most skilled and most flexible population in the world. Drawing on research, stakeholder and client feedback, evaluations, and both Canadian and international best practices the Department brought together literacy and essential skills programming to improve overall program efficiency and effectiveness and to better respond to an evolving labour market. The Office administers the Adult Learning, Literacy and Essential Skills Program which, in 2007–2008, invested nearly $44 million in literacy and essential skills activities. It supports efforts to help Canadians get the literacy and essential skills they need to get a job, adapt and succeed within the workforce, and for success in their families and communities. |
| **Priority:** Continue to address financial and non-financial barriers to post-secondary education and to lifelong learning | |
| Continue diagnostic work with the provinces and territories on support to students to address financial and non-financial barriers to post-secondary education and to lifelong learning. | The Department undertook a review of financial assistance to students, which included an online public consultation about the future of the Canada Student Loans Program. The consultation was open to all Canadians and resulted in over 770 submissions. The review's recommendations resulted in announcements in Budget 2008 for a new consolidated Canada Student Grant Program, which will: provide a $350 million investment in 2009–2010, rising to $430 million in 2012–2013. The new consolidated Canada Student Grant Program will provide students from low and middle-income families with a grant equal to $250 and $100 per month respectively. Students with permanent disabilities will be eligible for a grant of $2,000 per year and up to $8,000 per year for those with special education needs. Students with children will be eligible for a grant of $200 per month for each child under the age of 12. |
| Continue program policy work on identifying and addressing non-financial barriers to adult learning. | During 2007–2008, the Learning Branch continued the diagnostic work with the provinces and territories on support to students to address lifelong learning and the program policy work on identifying and addressing non-financial barriers to adult learning. The diagnostic will be completed in 2008–2009. |

| Plan | 2006–2007 Achievements |
| --- | --- |
| Continue to work with provinces and territories to pursue modernization of the delivery of student financial assistance to Canadians, as announced in Advantage Canada on November 23, 2006. | Extensive consultations were held with provinces and territories through the Intergovernmental Consultative Committee on Student Financial Assistance and other Federal/Provincial/Territorial working groups. This work represented a significant contribution to the follow-up to Advantage Canada announcements, as well as to the review of the Canada Student Loans Program that culminated in the announcements to modernize the Canada Student Loans Program made in Budget 2008. Budget 2008 committed to provide $123 million over four years to streamline and modernize the Canada Student Loans Program.<br><br>The Service Delivery Vision for Student Financial Assistance was developed in partnership with five provinces (Newfoundland and Labrador, Nova Scotia, Manitoba, Alberta and British Columbia).<br><br>To complete the development work required to implement the five priorities identified under the Service Delivery Vision, a Service Delivery Vision Working group was created in August 2007 with the participating provinces and the Department. |

# Other Achievements in 2007–2008

In order to ensure continued financial integrity, the Canada Student Loans Program worked with stakeholders to deliver 47 audit reports which provide assurance regarding the financial statements of the program, as well as compliance by the four Integrated Provinces with their Federal Government Integration Agreements. Results of the audits were very positive.

# Evaluations and Audits

Results from a formative evaluation, which will provide information on the early impacts of changes to the Canada Education Savings Grant and the Canada Learning Bond, will be available in 2008–2009.

The May 2007 Report on Federal Loans and Grants for Post-Secondary Education by the Auditor General recommended that the Canada Student Loans Program better measure the impact it has on promoting access to post-secondary education. Developing national-level indicators is challenging as not all provinces have the same availability of data. However, the Canada Student Loans Program developed a performance measurement framework to address the Auditor General's recommendation. The framework will continue to be improved in the future.

In its May 2007 report, the Auditor General also recommended that the Canada Student Loans Program monitor compliance with its needs assessment process. As a result, the Program worked with the Internal Audit Services Branch of the Department to improve this process. This work is scheduled for completion in 2008–2009.

## Lessons Learned

1. Budget 2007 announced a review of the Canada Student Loans Program to identify changes that would simplify the Program and make it more effective. The Review was based on an extensive analysis of financial assistance to students which was also validated by stakeholders. The major lessons that we learned from this Review can be categorized under the following main areas:

   - the administration of Student Financial Assistance was complex and was not easy for clients to follow. This was most evident when dealing with service delivery, debt management measures, and when students tried to determine the contribution expected from their families;
   - under-represented groups, including students from low-income families, adult learners, and students with permanent disabilities were still facing significant barriers to their access to post-secondary education; and
   - certain student financial assistance was not very predictable for students which led to uncertainties in terms of what funding students could rely on to assist them in accessing post-secondary education;

   The review identified a series of strategic directions for the federal government, which led to the announcement in Budget 2008 of highly significant improvements to student financial assistance and other support to students. In order to address the issues identified in the review the Canada Student Loans Program will:

   - implement a new, simplified and predictable Canada Student Grant Program that will support the access to post-secondary education of under-represented groups by targeting low-income families. This new grant will be based on clearly defined income levels and will be available to university undergraduate and college students for all years of study.
   - replace the current cumbersome delivery model with a new Service Delivery Vision which will allow students to apply for and manage their loans on-line;
   - replace complex debt repayment measures with a new Repayment Assistance Plan which will ensure borrowers are only required to make affordable loan repayments during a period not exceeding 15 years;
   - introduce new debt management and loan forgiveness provisions for students with permanent disabilities, including an Accelerated Repayment Assistance Plan that will more quickly write down their debt;
   - better address the needs of adult learners by increasing the maximum amount of part-time loans offered and by not requiring their repayment while in study; and
   - facilitate access to student loans and as a result post-secondary education for married and common-law students by reducing the contribution expected from their spouses.

2. In the fall of 2007, a review was initiated to ensure best practices in administering family savings in Registered Education Savings Plans and flexible financial support for post-secondary studies. The findings show that the Registered Education Savings Plan industry is generally performing well and in-line with Government of Canada education savings objectives, but raises some concerns about the availability of information that would allow Canadians to make more informed decisions regarding their Registered Education Savings Plan options. We also learned that the Department must also be responsive to the needs of its service delivery partners for administrative simplicity, cost of providing services on our behalf and the time required for them to adjust to changes in government policy.

   To address these findings, the Department will work in collaboration with consumers, the provinces and territories, other Government departments, and the Registered Education Savings Plan industry to ensure that Canadians receive the best possible services and that the policy objectives of Registered Education Savings Plan savings incentives are met.

3. In 2000, the Government of Canada moved to a Direct Lending Regime and assumed new duties with respect to fiduciary responsibilities and accountability to both elected officials and the Canadian public as taxpayer money is now used to finance student loans and grants. At the initial stage the Canada Student Loans Program had

contracted with two external service providers to administer and manage Canada Student Loans on behalf of the Government of Canada. However, through ongoing monitoring and consultation with the public, it was identified that having two Service providers was inefficient, confusing and complicated for our clients. Accordingly, the Government moved to issue one contract with one Service Provider. In December 2006, the contract was awarded and a transition phase of one year, to the new and only Service Provider, was put in place.

4. In *Advantage Canada*, the Government of Canada committed to working with the provinces and territory to modernize and simplify the administration and delivery of student financial assistance. In making this commitment, the Government of Canada was recognizing that student financial assistance services have been too complex for borrowers, resulting in the potential for application errors and increased default rates due to confusion over the student financial assistance process.

   In the past, borrowers have had multiple student loans with provincial and federal governments, as well as financial institutions. This is particularly true for borrowers in the non-integrated provincial and territorial jurisdictions. With multiple student loans at different institutions, it is difficult to keep track of each and students are more likely to miss payments.

   Students were also reporting that the applications process was cumbersome, repetitive and frustrating, requiring students to navigate multiple applications, forms and service delivery agents in order to obtain loans. In addition, debt management measures have been difficult to access, sometimes requiring multiple applications for the same service.

   In response to these challenges, the Government created a federal-provincial/territorial working group with the goal of improving service delivery so that students will have simple, easy to manage access to student financial assistance information and services. The tasks of the working group were to:

   - Modernize and simplify service delivery;
   - Create a holistic, positive and responsive customer service experience; and,
   - Ensure partnerships that facilitate the sharing of information and best practices across service delivery partners while respecting jurisdictional differences.

   Out of this work, the Service Delivery Vision was announced in Budget 2008, which includes five key initiatives:

   - Consolidated View of Student Loans;
   - Master Student Financial Aid Agreement/ Electronic Confirmation of Enrolment;
   - Single Electronic Application for Debt Management Measures;
   - Single Loan Payment for Multiple Loans with Repayment Options; and
   - Consolidate, Simplify and Customize Communications throughout the student financial assistance Lifecycle.

   The Government of Canada will continue to work with its provincial/territorial partners to implement this Vision over four years, beginning in 2008–2009.

## Financial and Human Resources 2007–2008

### Labour Market, Workplace Skills and Learning

| (millions of dollars) | PLANNED SPENDING | AUTHORITIES | ACTUAL |
|---|---|---|---|
| **FINANCIAL RESOURCES (GROSS)** | | | |
| Labour Market | 15,406.7 | 15,067.6 | 14,908.3 |
| Workplace Skills | 213.7 | 220.9 | 139.4 |
| Learning | 2,100.0 | 2,314.8 | 2,283.8 |
| **Total Financial Resources (Gross)** | **17,720.4** | **17,603.3** | **17,331.5** |
| **HUMAN RESOURCES (FULL TIME EQUIVALENTS)** | | | |
| Labour Market | 236 | 248 | 248 |
| Worplace Skills | 338 | 463 | 463 |
| Learning | 407 | 620 | 620 |
| **Total Human Resources (Full Time Equivalents)** | **981** | **1,331** | **1,331** |

## Details by Programs and Services 2007–2008

### Labour Market, Workplace Skills and Learning

| **Financial Resources (millions of dollars)** | | | |
|---|---|---|---|
| | **Planned Spending** | **Authorities** | **Actual** |
| **Labour Market** | | | |
| Employment Insurance | 12,697.9 | 12,316.0 | 12,252.0 |
| Labour Market Programs | 2,696.8 | 2,736.5 | 2,644.3 |
| Allocated Corporate Services[a] | 12.0 | 15.1 | 12.0 |
| **Sub-Total** | **15,406.7** | **15,067.6** | **14,908.3** |
| **Workplace Skills** | | | |
| Workplace Partnerships | 162.9 | 159.8 | 87.8 |
| Foreign Workers and Immigrants | 22.6 | 25.6 | 22.9 |
| Skills and Labour Market Information | 5.7 | 7.3 | 4.6 |
| Others[b] | 6.5 | 8.1 | 8.1 |
| Allocated Corporate Services[a] | 16.0 | 20.1 | 16.0 |
| **Sub-Total** | **213.7** | **220.9** | **139.4** |
| **Learning** | | | |
| Student Financial Assistance | 1,442.0 | 1,594.4 | 1,594.1 |
| Canada Education Savings Program | 577.3 | 630.5 | 627.8 |
| Adult Learning, Literacy and Essential Skills Program | 51.4 | 52.6 | 30.5 |
| International Academic Mobility | 4.0 | 4.0 | 3.3 |
| Others[b] | 5.1 | 8.0 | 7.9 |
| Allocated Corporate Services[a] | 20.2 | 25.3 | 20.2 |
| **Sub-Total** | **2,100.0** | **2,314.8** | **2,283.8** |
| **Total** | **17,720.4** | **17,603.3** | **17,331.5** |
| **Human Resources (Full Time Equivalents)** | | | |
| Labour Market | 236 | 248 | 248 |
| Workplace Skills | 338 | 463 | 463 |
| Learning | 407 | 620 | 620 |
| **Total - Full Time Equivalents** | **981** | **1,331** | **1,331** |

[a] Corporate Services resources related to the Minister's Office, the Deputy Minister's Office, the Comptroller's Office and the Shared Services have been prorated to each program activity.

[b] Other category is for resources which are not directly related to the sub-activities identified.

# Safe, Healthy, Fair, Stable, Cooperative, Productive Workplaces and Effective International Labour Standards

# Program Activity
# Labour

The workplace is where Canada's wealth is generated and where many Canadians spend a significant proportion of their day. Therefore, fulfilling the mandate of the Labour Program that deals with workplace issues is crucial to the performance of Canada's economy and the well-being of its citizens. That mandate can be defined, in general terms, as supporting balanced, cooperative relationships between employers and employees and fostering safe, healthy, fair and productive work environments. This mandate operates at three levels:

- *Federal Jurisdiction Mandate* – The development and administration of labour-related legislation governing federally regulated private sector employers who employ approximately 8.5 percent of the Canadian labour force. In addition, the federal public sector is covered by occupational health and safety and employment equity legislation administered by the Labour Program.
- *National Mandate* – National leadership and coordination within the network of labour jurisdictions in Canada in the interests of strengthening the Canadian economic union and sharing best practices.
- *International Mandate* – Managing Canada's international labour affairs, including the negotiation and implementation of international labour agreements and representation of Canada in multilateral organizations dealing with labour issues.

The Labour Program's federal jurisdiction mandate covers an estimated 46,000 Canadian workplaces employing approximately 1.1 million employees. Its clients are generally knowledgeable, concerned with all aspects of labour policy, well organized, whether through labour organizations or business associations, and expect high levels of professionalism in both administration and policy development. Beyond the federal jurisdiction, the Labour Program interacts with a wide variety of business, labour and other non governmental organizations on both national and international issues.

The Labour Program's activities and their results supported its strategic outcome, which was accomplished by actively promoting and sustaining stable industrial relations and safe, fair, healthy, equitable and productive workplaces within the federal jurisdiction, as well as promoting effective international labour standards. The Program developed labour legislation and regulations to achieve an effective balance between workers' and employers' rights and responsibilities, as well as ensured that the rights and obligations established under labour legislation were respected in federal jurisdiction workplaces. As a result, risks to life and property were managed and injuries were compensated; workplace parties enjoyed constructive and cooperative ongoing relations; workplace parties complied with relevant workplace standards, policies and practices; and Canada's interests and obligations in international and intergovernmental agreements and relations were met.

During the 2007–2008 fiscal year, in addition to ongoing operations, the Labour Program focused on a number of special activities.

The *Wage Earner Protection Program Act* received Royal Assent on December 14, 2007. The Act established a program to compensate workers, up to a maximum amount equalling four weeks' maximum insurable earnings under the *Employment Insurance Act* (currently about $3,000), for unpaid wages and vacation pay owed to them by employers who are declared bankrupt or are subject to receivership under the *Bankruptcy and Insolvency Act*. Following Royal Assent, work advanced significantly on developing regulations and designing the program.

A new priority for the Labour Program arose in late 2007–2008 as the government moved to secure job and education protections for military reservists volunteering on full-time deployments with the Canadian Forces. The resulting Comprehensive Reinstatement Strategy was developed in cooperation with the Department of National Defence. It included a proposal to add relevant job protection provision to Part III (Labour Standards) of the *Canada Labour Code* and the *Public Service Employment Act*, and to amend other affected legislation as necessary. Bill C-40 was passed on April 16, 2008, and received Royal Assent the following day. Sections of the Bill dealing with job protection for reservists came into force on April 18, 2008.

During 2007–2008, the Minister of Labour identified the frequency and duration of work stoppages as one of his priorities, which led to the launch of a focussed study on the causes and impacts of work stoppages in the federal private sector.

The recommendations emanating from a review of Part III (Labour Standards) of the *Canada Labour Code* were analysed and a Technical Discussion Paper was developed for use in developing legislative proposals.

There has been a sharp increase in the number and complexity of work refusals by employees who feel there is a danger in performing certain tasks or using certain equipment. To ensure that there is a consistent approach in dealing with these refusals, new guidelines and operational directives, consistent with the requirements of the *Canada Labour Code*, were developed and implemented.

New regulatory requirements to proactively identify and assess ergonomics-related hazards were developed and promulgated so that the risk of work-related musculoskeletal injuries to employees, which represents about one-third of claims accepted for compensation, can be minimised. New regulatory requirements to proactively address the emerging issue of workplace violence were also developed.

Action was also taken to enhance the engagement of Canada's provinces and territories on international labour issues. Of particular importance was securing provincial and territorial agreement to adhere to the labour cooperation agreements that Canada signs with its free trade partners and to ratify international labour conventions that aim to protect fundamental rights at work. In 2007–2008, Quebec agreed to implement the obligations of Canada's existing labour cooperation agreements with Chile and Costa Rica. The Labour Program built on this momentum by actively encouraging other provinces and territories to do the same. In addition, a federal-provincial territorial strategy on International Labour Organization issues, aimed at strengthening the engagement of the provinces and territories, improving Canada's compliance with its international labour obligations, and promoting International Labour Organization reform, was endorsed by federal, provincial and territorial Ministers responsible for Labour in January 2008.

The Labour Program conducted a thorough review of the administration of the *Government Employees' Compensation Act*, which provides benefits for federal employees who are injured on the job. The review identified specific areas for modernisation of the administration of the Act and, in 2007–2008, implementation of an action plan began, including better information sharing and consultation between the Labour Program and the workers' compensation boards that adjudicate the work injury claims, improving compliance of employers covered by the *Government Employees' Compensation Act*, addressing problems of late reporting, and focusing on disability management.

The targets of two of the Labour Program's performance indicators were not met in 2007–2008. The 75 percent target for the performance indicator "Percentage of money collected in relation to the amount found to be owed for complaints under Part III (Labour Standards) of the *Canada Labour Code* (excluding unjust dismissal)" was not met, with a result of 57.93 percent. This was due to the unusually high numbers/amounts not settled because of bankruptcies (especially two large ones in Ontario, amounts that are largely unrecoverable) and from claims filed in Federal Court. If these two categories were excluded, the result would have been 84.79 percent.

With respect to the performance indicator "Client satisfaction with the quality of Workplace Information Directorate data", a survey was not carried out in 2007–2008 because the Labour Program was in the midst of reviewing this performance indicator in the context of the Human Resources and Social Development Canada Performance Measurement Framework review initiative. However, the result of 96.4 percent that was reported for 2006–2007 showed that stakeholders rated the quality of the Workplace Information Division's products as good, very good or excellent.

More information on the Labour Program can be found at:
**http://www.hrsdc.gc.ca/en/labour/index.shtml**

## Strategic Outcome Indicators

### Labour

| Indicators | Current Level |
|---|---|
| Percentage of total working days lost due to work stoppages (federal jurisdiction) | (2006) Less than 1%<br>For 2007-2008, only 0.07% of all available work time in the federal jurisdiction was lost to work stoppages<br>Data Systems and Controls Rating: Good |
| Representation of designated groups in all occupations and workforce availability, employers covered under the Legislated Employment Equity Program | **Representation of Designated Groups (2005)**<br>Women 42.7%<br>Aboriginal Peoples 2.4%<br>Visible Minorities 11.6%<br>People with Disabilities 3.2%<br>**Workforce Availability (2001)**<br>Women 48.1%<br>Aboriginal Peoples 2.6%<br>Visible Minorities 12.0%<br>People with Disabilities 5.3%<br>Data Systems and Controls Rating: Good |

## Program Indicators

### Labour

| Program Indicators | 2007–2008 Target | Results |
|---|---|---|
| Percentage of collective bargaining disputes settled under Part I (Industrial Relations) of the *Canada Labour Code* without work stoppage. | 90% | 92.1%<br>Data Systems and Controls Rating: Good |
| Percentage of unjust dismissal complaints settled by inspectors (Part III of the *Canada Labour Code*). | 75% | 76%<br>Data Systems and Controls Rating: Good |
| Disabling Injury Incidence Rate measuring the change in the rate of lost time injuries, illnesses and fatalities within federal jurisdiction industries from year to year. | Reduce the Disabling Injury Incidence Rate by 10% over five years (by 2008–2009) in those high-risk industries where we are targeting proactive interventions | • All industries reduced by 12.6%<br>• Seven priority industries reduced by 20.5%<br>Data Systems and Controls Rating: Good |
| Percentage of money collected in relation to the amount found to be owed for complaints under Part III (Labour Standards) of the *Canada Labour Code* (excluding unjust dismissal complaints) | 75% | 57.93%<br>Data Systems and Controls Rating: Good |
| **Comments:** The target was not met due to the unusually high numbers/amounts not settled because of bankruptcies (especially two large ones in Ontario, amounts that are largely unrecoverable), and from claims filed in Federal Court. If these two categories are excluded, the percentage would be 84.79%. | | |
| Client satisfaction with the quality of Workplace Information Directorate data. | 80% | 96.4%<br>2006–2007<br>Data Systems and Controls Rating: N/A |
| **Comments:** A survey was not carried out in 2007–2008 because the Labour Program was in the midst of reviewing this performance indicator in the context of the Human Resources and Social Development Canada's Performance Measurement Framework review initiative.<br>However, the previous year's results (2006–2007) showed that 96.4% of stakeholders rated the quality of the Workplace Information Division's products as good, very good and excellent. | | |

## Achievements Against Priorities

### Labour

| Plan | 2007–2008 Achievements |
|---|---|
| **Priority:** Analyse recommendations in the *Report of the Commissioner on the Review of Part III* (Labour Standards) of the *Canada Labour Code* and consult stakeholders, identify and evaluate options for the government response | |
| Obtain responses from stakeholders on legislative and administrative recommendations of the review. | • Stakeholder responses were obtained through a series of meetings between stakeholder groups and the Minister of Labour in late 2006–2007.<br>• In 2007–2008, work advanced (described below) as a prerequisite to further Technical Discussions on the legislative recommendations. |
| Analyse the report and recommendations; identify areas in the report that would require further research and follow up as appropriate; perform economic and social impact analyses and determine the operational feasibility of specific recommendations. | • Human Resources and Social Development Canada Legal Services analysed the report and developed a draft Technical Discussion Paper on the recommendations. Additional research and follow-up was completed where necessary with some very last points now being completed. The Technical Discussion Paper includes some initial analysis of possible economic or social impacts of the review recommendations. |
| **Priority:** Proactive administration of existing Pay Equity legislation | |
| Promote education and provide promotional materials to increase awareness of pay equity legislation. | • A brochure on Pay Equity frequently asked questions was distributed to the 4,500 federally regulated employers who employ 20 or more people. The brochure was also used for on site employer visits.<br>• The Pay equity Web Pages have been updated to provide information, definitions and practical advice employers. More information is available by visiting **www.labour.gc.ca / Equity in the workplace / Pay Equity** |
| Advise federally-regulated employers, employees and unions of their rights and obligations. | • Over 260 employers received educational and promotional visits. |
| Make available specialised mediation assistance to workplace partners in order to provide them with critical assistance in their efforts to implement pay equity in accordance with their statutory obligations. | • Mediation staff has received special Pay Equity training.<br>• Specialised mediation assistance is now available to workplace parties in order to provide them with critical assistance in their efforts in negotiating Pay Equity solutions. |
| Monitor employers' progress, provide expert guidance on implementation and, if necessary, refer cases to the Canadian Human Rights Commission for investigation when employers refuse to implement pay equity. | • A process has commenced to hire compensation experts to provide advice and assistance on technical issues and assess employer progress. A specialised computer program is being designed to record the status and progress of Pay Equity interventions with employers. A question is also included in the Statistics Canada survey to determine the initial status of Pay Equity implementation.<br>• Implementation is expected to be in 2008–2009, unless there are indications of individual complaints. There have been no cases to date. |

| Plan | 2007–2008 Achievements |
|---|---|
| | • Cases will be referred to the Canadian Human Rights Commission when employers refuse to comply with requirements, after having worked with Labour Standards Officers or Compensation Advisors |
| **Priority:** Complete preparations for the Wage Earner Protection Program | |
| Support the regulatory and legislative processes by providing policy advice and relevant information as circumstances require. | • These processes were appropriately supported as planned. The Wage Earner Protection Program legislation passed earlier than anticipated, in December 2007 and regulations are under development. |
| Finalise Program policy and work with Service Canada to design, develop and ready the Program for implementation. | • The work advanced significantly, as planned. The Wage Earner Protection Program is expected to be ready for implementation in the summer of 2008. |

# Evaluations and Audits

The Internal Audit Services Branch conducted an internal audit of the Occupational Health and Safety Program, which was approved by the Management Audit and Evaluation Committee in November 2007. The main objectives of the audit were to provide reasonable assurance to senior officials that:

- the Management Action Plan, which was developed in response to the 2001 report on the *Review of the Labour Branch, Occupational Safety and Health Program*, had been implemented;
- the Division was able to deliver on its objectives adequately; and
- the services rendered by the Canada Appeals Office on Occupational Health and Safety, as per its mandate in regards to Occupational Health and Safety, were adequate.

Audit results showed the Occupational Health and Safety Program had made improvements. However, the planned actions outlined in the Management Action Plan of the 2001 review were not fully implemented. Furthermore, improvement to the control framework of the Occupational Health and Safety Program is required to allow for greater success in the achievement of program objectives. The Internal Audit Services Branch concluded that the Canada Appeals Office on Occupational Health and Safety responded adequately to its mandate by providing accessible services.

Please reference the following link for further information: **http://www.hrsdc.gc.ca/en/publications_resources/audit/2007/sp_833_11_07e/page00.shtml**

# Lessons Learned

## Reorganization

The Compliance and Regional Operations Directorate was established in the fall of 2007 to provide leadership and representation for the Labour Program's regions. Emphasis was placed on creating a new team, which would work seamlessly at both headquarters and in the regions. Open, transparent communication was encouraged among headquarters, regions, stakeholders, unions, employers and others. This approach, combined with the careful planning and an attitude of mutual respect and understanding, has taught the Directorate that it can develop solid, productive relationships to achieve common goals. This has permitted the Compliance and Regional Operations Directorate to focus on issues and how best to handle them, such as inviting district managers' participation in working groups for the purposes of problem solving and developing new strategies. The Directorate has learned that the creation of positive working relationships will provide a sold basis for future endeavours, such as the development of new compliance policies.

## Federal Workers' Compensation

The Labour Program must ensure that the delivery of workers' compensation services to employees in the federal jurisdiction is both efficient and timely. As such, the Federal Workers' Compensation Service undertook an internal review late in 2007. It identified a need for administrative changes within the Service and also for strengthened links with the provincial workers' compensation boards, who adjudicate claims on behalf of the federal government. Better and

updated administrative procedures and policies, together with improved links with the workers' compensation boards, are key to improving the administration of the *Government Employees' Compensation Act*. Together, both activities will assist the Labour Program in delivering effective and timely compensation to employees in the federal jurisdiction.

## Occupational Health and Safety

The Labour Program works proactively to reduce occupational injuries and illnesses and uses the Disabling Injury Incidence Rate, which every five years measures the number of disabling and fatal injuries in order to target high risk industries for proactive inspections. The objective by 2008–2009 was to reduce the Disability Injury Incidence Rate by 10 percent in overall federal jurisdiction industries, as well as in seven national higher-risk priority industries. Actually, a reduction of 12.6 percent was achieved overall and 20.5 percent in the priority industries. By addressing non-compliance in a proactive way, accidents and injuries are prevented as evidenced by the dramatic reduction of the Disabling Injury Incidence Rate beyond the targets originally set by the Labour Program.

## Racism-free Workplace Strategy

The Labour Program is addressing a key gap in its employment equity programs. Decisions in the past resulted in shifting resources away from education and outreach-related activities. There is still an expressed need for education and assistance for employers implementing employment equity. The Racism-free Workplace Strategy, as part of the Government of Canada's broader Action Plan against Racism, is intended to remedy that need with respect to Aboriginal peoples and visible minorities. The aim of the Strategy is to facilitate the integration of skilled individuals in the above groups into Canadian workplaces by developing tools, guidelines and education materials for employers, practitioners, managers, employees and the general public. The Strategy is intended as a key outreach mechanism in order to make it easier for people to learn about practices, success stories and business cases, and to bring employers and representatives from the designated groups together to work on innovative approaches to training, recruitment, retention and advancement.

Since its implementation, the focus of the Strategy has been on conducting consultations with key stakeholders in order to assist with issue identification, developing tools, resources and education materials, meeting staffing requirements and identifying effective program delivery mechanisms. Racism Prevention Officers engage key stakeholders by providing opportunities to promote dialogue, build networks and create awareness of issues relating to workplace racism. These activities have been well received by stakeholders and the Strategy will continue its focus on outreach activities to raise awareness of issues and, in particular, of discriminatory barriers faced by Aboriginal peoples and visible minorities in the workplace.

## Labour Standards

The Labour Program is developing a new plan to increase stakeholder compliance with Part III (Labour Standards) of the *Canada Labour Code*. A review of past projects that were successful in improving compliance was undertaken so that the lessons learned could be applied. The Road Transport Industry Client Education and Partnership Initiative was one such project and demonstrates how a promotional campaign with a targeted audience can improve compliance with labour standards. Under this initiative, the Labour Program consulted all the major road transport associations and developed a multi-media-style training package containing an overview of Part II (Occupational Health and Safety) and Part III (Labour Standards) of the *Canada Labour Code*. Labour Program officials then approached transport driver training schools across the country and encouraged them to include the product in their curriculum. This proved successful and was seen as an important base for employees beginning a career in the road transport industry. Subsequently, discussions were held with the Association of Community Colleges of Canada to include the package in their curriculum related to the motor transport industry. In addition, the Canadian Trucking Human Resources Council has added the training outline to their eight week course, "Earning Your Wheels", for professional drivers.

The information products were successful, in large part, because they were developed in consultation with all the major road transport associations who made use of the publications. The result was products specifically designed to meet the needs of this industry, thereby improving their understanding of the application of Part III of the Code. Strong partnerships between the Labour Program and the industry were also established and continue to this day. Most importantly, the project created a synergy between the Labour Program and the road transport industry, which in turn led to increased levels of compliance. To date, the project has realised an overall 25 percent drop in complaint load from the industry.

## Financial and Human Resources 2007–2008

### Labour

| (millions of dollars) | PLANNED SPENDING | AUTHORITIES | ACTUAL |
|---|---|---|---|
| **Labour** | | | |
| FINANCIAL RESOURCES (GROSS) | 271.5 | 247.2 | 239.3 |
| HUMAN RESOURCES (FULL TIME EQUIVALENTS) | 870 | 904 | 904 |

## Details by Programs and Services 2007–2008

### Labour

| **Financial Resources (millions of dollars)** | | | |
|---|---|---|---|
| | **Planned Spending** | **Authorities** | **Actual** |
| **Labour** | | | |
| Federal Mediation and Conciliation Service | 8.2 | 7.2 | 7.2 |
| National Labour Operations | 187.5 | 188.5 | 188.3 |
| International and Intergovernmental Labour Affairs | 6.7 | 6.3 | 6.3 |
| Workplace Policy and Information | 38.1 | 5.4 | 5.3 |
| Others[b] | 1.0 | 2.2 | 2.2 |
| Allocated Corporate Services[a] | 30.0 | 37.6 | 30.0 |
| **Total** | **271.5** | **247.2** | **239.3** |
| **Human Resources (Full Time Equivalents)** | | | |
| Full Time Equivalents | **870** | **904** | **904** |

[a] Corporate Services resources related to the Minister's Office, the Deputy Minister's Office, the Comptroller's Office and the Shared Services have been prorated to each program activity.

[b] Other category is for the resources which are not directly related to the sub-activities identified.

# Enhanced Income Security, Access to Opportunities and Well-Being for Individuals, Families and Communities

## Well-being for Individuals, Families and Communities

The Department continued helping individuals, families and communities achieve their potential in contributing to Canadian society and sharing in the opportunities it provides. At times this involved providing direct assistance, such as the financial benefits paid to parents to help them choose the kind of care they want for their young children and pension benefits paid to over 5 million people to provide income security.

In other cases, more tailored approaches were implemented to address particular circumstances and vulnerabilities. For example, the Social Development Partnerships Program promoted the participation of children and families, persons with disabilities or other vulnerable populations in Canadian society. Similarly, the New Horizons for Seniors Program ensured that seniors were able to benefit from and contribute to the quality of life in their communities through social participation and active living.

To improve access to the services and programs that homeless individuals and families need to move towards self-sufficiency, the new Homelessness Partnering Strategy enhanced partnerships across government by developing a series of pilot projects with other government departments to introduce new programs and services for homeless and at-risk people across Canada.

Program Activity

# Social Investment

Canada's economic prosperity, its vibrant labour market, and the positive outlook for our country's future are closely linked to the income security and well-being of Canadians, their families and communities. The well-being and social inclusion of individuals are enhanced by programs that contribute to their income security, or their ability to care for and support a family, or to participate in community life.

## Providing income security

The Department continued to contribute to a stable income for millions of Canadians through the administration of Canada's national pension programs. Specifically, in 2007–2008, Canada Pension Plan and Old Age Security benefits paid to individuals and families totalled more than $59.5 billion (up from $56.4 billion in 2006–2007).

Seniors constitute the fastest growing population in Canadian society. In the next 30 years, nearly one in four Canadians will be a senior. In 2007–2008, over 3.4 million individuals received the Canada Pension Plan retirement benefit ($19.8 billion in benefit payments), while approximately 4.4 million individuals received the basic Old Age Security pension ($24 billion in benefit payments).

However, despite the fact that many of today's seniors are economically better off than their predecessors, there are seniors who continue to have low income. To address this vulnerability, approximately 1.6 million seniors received the Guaranteed Income Supplement ($7.4 billion in benefit payments) to contribute to a stable income in retirement. The Department implemented a number of improvements to the delivery of the Guaranteed Income Supplement. For example, beneficiaries do not need to renew their applications for the Supplement and Allowance benefits once an initial application has been made and beneficiaries who file tax returns do not have to reapply for these benefits.

Income security also continued to be a challenge for people with disabilities. Many individuals with disabilities are not always able to earn an adequate income through employment and therefore depend on social assistance for income support. Recognizing this, the Government of Canada supports people with disabilities and their caregivers through a variety of tax incentives and income support measures. Such measures included the ongoing delivery of the Canada Pension Plan Disability program, which paid monthly benefits to over 307,000 eligible contributors in 2007–2008 ($3.3B in benefit payments). This program remains Canada's largest long-term disability insurance plan and is an important source of earnings replacement for Canada Pension Plan contributors who could not work due to severe, prolonged disabilities. Enhancements to the Canada Pension Plan Disability were also implemented to ensure it meets the current and future needs of Canadians. In particular, an amendment was made to extend Canada Pension Plan Disability benefit eligibility to contributors with a long history of labour force attachment.

## Helping vulnerable populations and supporting communities

In addition to financial security, seniors also face issues associated with their well-being and inclusion in Canada society. As the federal government's focal point for seniors' issues, HRSDC continued to work with other departments, the provinces, territories and other partners to identify and address issues and opportunities created by the growing seniors' population. For example, the Department established the National Seniors Council to advise the federal government on all matters related to the health, well-being and quality of life of seniors. In 2007–2008, the Council focused on the issues of elder abuse and low-income seniors.

The Department also invested in 1,771 projects through the community-based New Horizons for Seniors Program and launched the expansion of the Program dealing with capital assistance and elder abuse that was announced in Budget 2007. In total, projects funded by the New Horizons for Seniors Program in 2007–2008 helped approximately 91,700 seniors benefit from and contribute to the quality of life in their community through social participation and active living.

Human Resources and Social Development Canada supported the Government of Canada on matters

affecting people with disabilities. In 2007–2008, the Department continued to improve awareness, coherence, and horizontal management of disability issues within the Department and across the Government of Canada. Additionally, Human Resources and Social Development Canada's Office for Disability Issues continued work to assist the Department become a model of accessibility in the federal government through the Departmental Task Team on Accessibility. Accomplishments included establishing relevant working groups; hosting three Employee Accessibility Forums; gathering information and priorities through three phases of employee opinion polling; and disseminating knowledge through a speakers' series.

Extensions to Labour Market Agreements for Persons with Disabilities, and the Opportunities Fund for Persons with Disabilities were also obtained in 2007–2008. The Labour Market Agreements for Persons with Disabilities improved the employment situations of Canadians with disabilities, by enhancing their employability, increasing the employment opportunities available to them, and building on their existing knowledge base. The Opportunities Fund Program, assisted unemployed Canadians with disabilities to prepare for, find and maintain employment.

At the community level, the Department supported the efforts of the community not-for-profit sector to innovate, strengthen networks, promote self-sufficiency and share good practices to contribute to community well-being. Funded initiatives supported entrepreneurship and innovation within the community not-for-profit sector to achieve better socio-economic outcomes for individuals and promote self-sufficiency. Furthermore, the Department continued to make strategic investments through the Social Development Partnerships Program to create opportunities, reduce risk, remove barriers and improve social outcomes for vulnerable populations.

## Strategic Outcome Indicators

### Social Investment

| Indicators | Current Level |
|---|---|
| Number of and proportion of individuals aged 65 years and over, who had low family income. | 241,900 6.1% of all Seniors (2005)<br>Data Systems and Controls Rating: Good |
| Number and proportion of individuals aged 65 years and over, who would have had low-income without public pension support. | 1,963,400 49.4% of all Seniors (2005)<br>Data Systems and Controls Rating: Good |
| Percentage of recipient's individual income provided by the CPP-D benefit. | 42.6% (includes CPP clients – 2004)<br>Data Systems and Controls Rating: Good |

## Program Indicators

### Social Investment

| Program Indicators | 2007–2008 Target | Results |
|---|---|---|
| Number and percentage of clients with enhanced employability. | 2,200 clients or 40% | 2,600 clients or 74%<br>Data Systems and Controls Rating: Good |
| Number of new community-based social development projects or initiatives that have been supported to promote the participation of children and families, persons with disabilities or other vulnerable populations. | 30 projects | 59 projects<br>Data Systems and Controls Rating: Good |
| Number of persons participating in New Horizons for Seniors community projects. | 50,000 participants | 91,700 estimated participants (based on an estimate of 100 participants per project)<br>Data Systems and Controls Rating: Good |

## Achievements Against Priorities

### Social Investment

| Plan | 2007–2008 Achievements |
|---|---|
| **Priority:** Raise awareness of seniors' issues and improve the retirement income system | |
| Develop and implement a plan to inform people about the retirement income system and their role within it. Efforts will include a focus on Aboriginals on-reserve. | The Department carried out a series of activities to inform people about Canada's retirement income system. To ensure that the most vulnerable seniors and those living in isolated or remote communities received the benefits to which they are eligible, the Department targeted the hardest of the hard-to-reach seniors who often experience barriers to receiving information and assistance through traditional government channels.<br>Specific examples of these activities include:<br>• The *Working together Workshop*, a strategy aimed at increasing the capacity of service providers working with Aboriginal seniors and Elders in remote communities to inform aboriginal people about Canada's retirement income system, was rolled out to British Columbia, Manitoba, Saskatchewan and the Atlantic provinces.<br>• In partnership with the Department of Education of Newfoundland and Labrador, a component was added to the school curriculum to inform students of retirement planning in general and the Canada Pension Plan in particular.<br>• The Canada Pension Plan Credit Splitting Fact Sheet was updated and 20,000 copies were sent to over 100 Canadian Legal Aide Societies across the country in October 2007. The Canada Pension Plan Credit Splitting Guide for the Legal Profession was also updated and 1,500 copies were sent to over 700 legal professionals and law schools in June 2008. This material helps those in the legal profession better counsel their clients on how the division of Canada Pension Plan credits following divorce or separation can affect their current or future entitlement to Canada Pension Plan benefits and their financial security in retirement. |
| Continuing efforts will be directed towards future reforms to Old Age Security and the Canada Pension Plan to ensure that the programs meet current and future needs. Implementing the proposed amendments of Bill C-36. | Work continued to ensure that the programs meet the current and future income security needs of eligible Canadians through the development of options for consideration in the upcoming Canada Pension Plan Triennial Review process. In 2007-2008, options focused on work-to-retirement transitions and refinements to disability benefits. |

| Plan | 2007–2008 Achievements |
|---|---|
| | The Department fully implemented 11 of 16 amendments to the Canada Pension Plan and *Old Age Security Act*. These amendments helped simplify access to and delivery of Canada Pension Plan and Old Age Security benefits to individuals. For example, beneficiaries do not need to renew their applications for the Guaranteed Income Supplement and Allowance benefits once an initial application has been made and recipients who file tax returns do not have to reapply. In addition, contributors to the Canada Pension Plan may now request their Canada Pension Plan Statement of Contributions more than once a year. Also, former common-law partners may apply for a Canada Pension Plan credit split more than four years after the date of separation where both former common-law partners agree in writing. |
| Develop and, once created, support, a National Seniors Council that will advise the Government of Canada on all matters related to the well-being and quality of life of seniors. | The National Seniors Council helps give the growing Canadian seniors' population the chance to have a say in the issues that matter to them. In 2007–2008, a secretariat was established to support the Council to deliver on its mandate. Secretariat work included the development of background and orientation material for Council members regarding the Council's initial priorities (elder abuse and low income seniors), the organization of five regional Seniors Council meetings on elder abuse and roundtables on seniors' well-being. |
| **Priority:** Support full participation of persons with disabilities in the labour market and society. | |
| Undertake policy research to develop a proposal for a Canadians with *Disabilities Act*. | Key research activities included developing policy proposals for the legislation and tabling issues to an interdepartmental working group. |
| Renew labour market programs for people with disabilities as part of the development and implementation of a departmental labour market strategy. | Extensions of the Labour Market Agreements for Persons with Disabilities, and Opportunities Fund for Persons with Disabilities were obtained. |
| Contribute to the Canada Pension Plan Triennial Review by managing the adoption of an amendment to ease contributory eligibility for long-term contributors applying for Canada Pension Plan Disability benefits as part of Bill C-36, and planning for its potential implementation. | The long-term contributors' amendment was fully implemented. The amendment extends Canada Pension Plan Disability benefit eligibility coverage to contributors with a long history of labour force attachment. |
| Start Phase I of a comprehensive evaluation of the Canada Pension Plan Disability Program, including a review of existing literature and data, a methodology plan and key informant interviews. | Phase 1 of the evaluation was complete. |
| Place Canada Pension Plan Disability administrative data into Statistics Canada's Research Data Centres for use by academic researchers to build the knowledge base relating to Canada Pension Plan Disability. | Technical work with Statistics Canada proceeded on schedule to advance the project toward implementation. |

| Plan | 2007–2008 Achievements |
|---|---|
| Improve awareness, coherence, and horizontal management of disability policies and programs within HRSDC and across the Government of Canada. | The Federal Disability Report for 2007 was prepared. By fostering a more comprehensive understanding of the problems people face accessing disability supports, the Report assists in the development of longer-term strategies on disability investments.<br><br>The Departmental Task Team on Accessibility, now in its second year, provided recommendations to the Deputy Minister of Human Resources and Social Development Canada that promote the Department as a model employer for people with disabilities within the Government of Canada. Accomplishments included establishing relevant working groups; hosting three Employee Accessibility Forums; gathering information and priorities through three phases of employee opinion polling; and disseminating knowledge through a speaker's series. |
| **Priority:** Support not-for-profit community sector efforts to innovate, strengthen networks of collaboration, develop capacity and share good practices to contribute to community well-being | |
| Make strategic investments through the Social Development Partnerships Program to improve social outcomes for children, families, people with disabilities and other vulnerable populations consistent with the social priorities of the Government. Develop options and engage in activities to support the renewal of the program whose terms and conditions expire in March 2008. | Overall, the program supported 59 projects in 2007-2008. Approved projects generated knowledge on emerging social issues; disseminated information and knowledge and increased public awareness; established and maintained sustainable partnerships; and increased public dialogue and consultations.<br><br>The Children and Families component of the Social Development Partnerships Program provided contribution funding to support 14 non-profit organizations to improve the social well-being of children and their families. Grant funding was also provided to 8 national non-profit organizations to deliver front-line programs and services to children and families living in communities across Canada.<br><br>Work also continued on the development of options for the repositioning of the Social Development Partnerships Program to ensure the program continues to meet the needs of people living with disabilities, families and children. |
| Foster entrepreneurship and innovation within the community not-for-profit sector to achieve better socio-economic outcomes for individuals and promote sectoral self-sufficiency. | In 2007–2008, 14 projects were approved as part of the Innovation in the Community Not-for-Profit Sector component of the Social Development Partnerships Program. Through this initiative, over 80 community-based organizations across Canada were supported to share innovative best practices in the areas of governance, finance, human resources, collaboration and service delivery to individual Canadians.<br><br>Also, work progressed on an initiative to analyze and disseminate the data from the Canada Survey of Giving, Volunteering and Participating. This initiative will assist not-for-profit organizations better understand patterns of volunteering and donating in their local communities. |

| Plan | 2007–2008 Achievements |
|---|---|
| Increase the participation of seniors through projects funded through the New Horizons for Seniors Program. | Increased participation of seniors in society was achieved through funding 917 projects related to the original component of the New Horizons for Seniors Program. In 2007–2008, it was estimated that 91,700 seniors participated in these projects.<br><br>Furthermore, an additional 854 projects were funded as part of the capital assistance component of the Program to upgrade non-profit organizations' facilities or equipment used for existing seniors' programs and activities. |
| Select and engage new communities to participate in the Understanding the Early Years initiative. | The Understanding the Early Years Initiative helped communities with different economic, social and physical characteristics understand how their young children are doing, what the community is doing to support those children, and the family and community factors that influence young children's development. These results were achieved through the approximately 16,000 children and parents who participated in community research activities in 21 communities across Canada. In addition, 15 new communities were approved for project funding.<br><br>These outcomes are substantiated by the findings of the Early Implementation Review of the Understanding the Early Years Initiative published in July, 2007. |
| Support a government dialogue on understanding "place-based" policy approaches and how federal instruments affect communities as they address their complex social and economic problems. | Within the Department, raised awareness of the 'community' dimension and 'place-based' perspectives through research, presentations and the development of policy and program options in the areas of families, poverty, the not-for-profit sector, Medium Term Planning and the Northern Strategy. Furthermore, established an interdepartmental working group to examine how to make federally-held local-level data more readily available to facilitate community planning, and enhance a community's understanding of its assets, challenges and priorities.<br><br>In partnership with other federal departments, the Collaborative Community Initiatives Speaker Series held 7 events, attracting approximately 732 participants from over 85 organizations to share and promote the use of innovations taking place in a wide spectrum of communities, including Aboriginal communities, across Canada. For example, a one-day session featured community, academic and government officials from the United Kingdom sharing their experiences from 10 years of neighbourhood renewal. In addition, the Department continued to support the Government Learning Circle, a tele-conference series for government practitioners who work with communities. Also, four tele-learning sessions were held, attracting approximately 70 registrants per session. |

| Plan | 2007–2008 Achievements |
|---|---|
| Invest in national francophone non-governmental organizations to promote French language early childhood development programs in official language minority communities. | Invested in initiatives to strengthen the capacity of national non-governmental organizations to develop a shared vision and strategy on early childhood development for francophone official language minority communities. For example, in 2007–2008, the Commission nationale des parents francophones received $650,000 in grant funding. |

# Evaluations and Audits

## Evaluations

In October 2007, the formative evaluation of the Community Inclusion Initiative was approved. Among the strengths identified by the evaluation were the Initiative's ability to mobilize communities and its capacity to fund projects that reflect priorities, including promoting the self-determination of people with disabilities. Further evidence from the evaluation indicated that the Initiative has been successful in creating partnerships in achieving increased inclusion.

The evaluation also noted some areas for improvement such as the need for better processes to facilitate reporting and data collection and to provide consistent data that are clearly linked to achievements/progress based on objectives. Additionally, the targets are not well-defined in terms of reach and expected results and the Initiative needs to work closer with stakeholders at the regional and local levels, and among people with disabilities, to improve their understanding of the program objectives.

The results of the evaluation will be posted online at a later date.

## Audits

An audit conducted of the Early Implementation Review of the Understanding the Early Years Initiative was published in July, 2007. This purpose of the audit was to provide assurance to senior management that program delivery has been established appropriately in order to meet its objectives and highlight any areas that require focused management attention for improvement.

The review concluded that, overall, the Understanding the Early Years Initiative is well managed and controlled in support of program objectives. Good communication and cooperation is evident within the Understanding the Early Years program area, as well as with recipients and other stakeholders. Feedback from recipients and departmental representatives has led to improved tools and processes for the second round of Calls for Proposals, as well as overall management of the Understanding the Early Years Initiative.

Please refer to the following link for further information: **http://www.hrsdc.gc.ca/en/publications_resources/audit/2007/sp_796_07_07e/page00.shtml**

There was also an audit conducted on the Consolidated Statement of administrative costs charged to the Canada Pension Plan Account by Human Resources and Social Development Canada for the year ended March 31, 2006. The audit was fully approved by the Management Audit and Evaluation Committee in October 2007. This audit is conducted annually to demonstrate that the costs charged to the Canada Pension Plan Account are exclusively attributable to the administration of the Canada Pension Plan. The audit found that the consolidated statement presents fairly, in all material respects, the administrative costs charged to the Canada Pension Plan Account by Service Canada and Human Resources and Social Development Canada for the year ended March 31, 2006.

Please refer to the following link for further information: **http://www.hrsdc.gc.ca/en/publications_resources/audit/2007/sp_834_05_07e/page00.shtml**

# Lessons Learned

## Understanding the Early Years

Understanding the Early Years is a national initiative that enables communities across Canada to work together to better understand the needs of their young children and families. Each project helps to raise community understanding about the key factors influencing the development of children from birth to age six. Community groups and individuals then learn to use local information to make decisions to enhance children's lives and social outcomes.

As part of three-year contribution agreements, funded community organizations are required to report on the results of Understanding the Early Years projects. To ensure that the reports would meet the Department's requirements – and at the same time be beneficial to organizations – Understanding the Early Years officials designed an interactive one-day workshop entitled Reporting on Results. The workshop objectives were to inform project representatives about Human Resources and Social Development Canada's approach to performance measurement and evaluation while seeking participant advice on the proposed structure for reporting on project outcomes and performance indicators. During the workshop, participants shared their planned project objectives, activities, and anticipated results. This fed into a collective discussion about commonalities among communities, perceived challenges, and innovative approaches to doing this work.

Participant feedback was very positive overall. Specific comments noted the benefits of networking, sharing and learning with other Understanding the Early Years projects. Having the opportunity to review, clarify, and provide feedback on the reporting templates was also considered to be valuable.

Based on the input received from funded organizations, the Department was able to design a reporting system that:

- better reflects the activities and outputs of funded projects (i.e. better able to tell the story of the Understanding the Early Years Initiative);
- is more useful to funded organizations when reporting back to project partners and communities; and,
- is more efficient and results in less burden on organizations as it, to a large extent, builds on current organizational systems and practices.

Program Activity

# Children and Families

The Government of Canada recognizes that families are the building blocks of a society, and that child care is a priority for Canadian families. Families play a critical role in shaping Canada's social and economic future and face a number of key challenges. Families also provide the nurturing environment that fosters both early childhood development and positive outcomes during the middle years and adolescence. With the rise in the number of dual-earner and single-parent families, and the need to care for elderly and vulnerable adults, many families experience challenges balancing their work and home life. Families need the flexibility to choose child care services that meet their needs. Some Canadian families continue to live in low income situations despite full-time employment.

Thus the Children and Families program activities provide direct and indirect support to families to help ensure all children have the best possible start in life; that parents have choice in childcare, to ensure the needs of those who provide care to loved ones are taken into account and that families' economic security is sustained.

Human Resources and Social Development Canada assisted Canadian families with children during 2007-2008 to meet their child care needs by:

- Providing direct financial support to eligible families with children through the Universal Child Care benefit;
- Providing indirect support to families through the Child Care Space Initiative;
- Collaborating with provincial and territorial governments to report on how Canadian children are doing; and
- Working with Finance Canada and the Canada Revenue Agency to implement payments.

Canada's Universal Child Care Plan, created in 2006 and which includes the Universal Child Care Benefit and the Child Care Spaces Initiative, is designed to meet the needs of Canadian families with children. The aim of the Universal Child Care Plan is to help all parents of young children, whether they work in the paid labour force or stay at home with their children, live in a small town, rural community or large urban area. The Universal Child Care Plan provides direct support to eligible families through monthly payments of $100 for every child under the age of 6.

The Child Care Spaces Initiative, an indirect form of support to parents, represents a new approach to child care that respects the role of parents in determining how best to care for their children, allows for parental flexibility, and recognizes the responsibility of provincial and territorial governments for delivering child care services. The Child Care Spaces Initiative provides $250 million annually to provinces and territories for the development of child care spaces.

The other activities of the children and families area involve the ongoing implementation of the 2000 Federal/Provincial/Territorial Early Childhood Development Agreement and the 2003 Federal/Provincial/Territorial Multilateral Framework on Early Learning and Child Care. Fundamentally this refers to reporting regularly on how young children are doing.

As well, work is continuing with provincial and territorial governments on the National Child Benefit Initiative. Finally, the program activities contribute to the development and implementation of a Working Income Tax Benefit for low and modest-income Canadians and their families.

Through the Universal Child Care Benefit this government has been very successful in providing support to 99.2% of eligible families with children less than six years of age. Variation between the target and the result may be explained by the fact that some eligible families may not receive the Universal Child Care Benefit payment in a particular month because of problems with mailing addresses. In addition, families have 11 months retroactive to apply for the Universal Child Care Benefit.

The Child Care Spaces Initiative has supported the creation of over 60,000 new child care spaces by provinces and territories since its inception.

An interdepartmental advisory committee was convened to oversee the activities of the Universal Child Care Benefit evaluation. The Universal Child

Care Benefit terms of reference were approved by the committee and work is proceeding to complete an evaluation framework and formative evaluation for 2008-2009. The formative evaluation will assess the effectiveness, efficiency, and accountability of the processes and procedures established for the administration of the Universal Child Care Benefit.

Design, delivery and take-up, as well as governance and accountability issues will be addressed at this formative stage of evaluation. In addition, a review of data to enable ongoing performance measurement and long-term impact assessment will also take place during this period.

## Strategic Outcome Indicators

### Children and Families

| Indicators | Current Level |
|---|---|
| Percentage of young children with average to advanced levels of verbal development | 2004 - 2005 86.5%<br>of children 4-5 years of age displayed average to advanced levels of verbal development<br>Data Systems and Controls Rating: Good |
| Percentage of young children living in families exhibiting positive family functioning. | 2004-2005 91.3%<br>of children from birth to five years of age lived in well-functioning families<br>Data Systems and Controls Rating: Good |
| Incidence of low-income – Change in the number and percentage of families and children that fall below the post-tax low-income cut-offs (post-tax LICOs), due to the National Child Benefit, in one year.). | Due to the National Child Benefit initiative, in 2003, an estimated 159,000 children in 60,500 families were prevented from living in low-income. This is a 12.4 percent reduction in the number of families with children living in low-income in 2003<br>Data Systems and Controls Rating: Good |
| Depth of low-income – Change in the aggregate amount of income that low-income families would need to reach the post-tax low-income cut-offs (post-tax LICOs), due to the National Child Benefit, in one year.). | For families with children who received the National Child Benefit Supplement in 2003, the National Child Benefit reduced the depth of low-income by a total of $610 million, or 16.1 percent<br>Data Systems and Controls Rating: Good |

## Program Indicators

### Children and Families

| Program Indicators | 2007–2008 Target | Results |
|---|---|---|
| Percentage of families who are receiving the Universal Child Care Benefit for their children under age 6. | 100% of eligible families | 99.2% of eligible families<br>Data Systems and Controls Rating: Good |

**Comments:** Variation between the target and the result may be explained by the fact that some eligible families do not receive the Universal Child Care Benefit payment in a particular month because of problems with mailing addresses.

## Achievements Against Priorities

### Children and Families

| Plan | 2007–2008 Achievements |
|---|---|
| **Priority:** Provide support and choices for families, through Canada's Universal Child Care Plan and other existing initiatives, to help ensure their children have the best possible start in life. | |
| Ensure successful implementation of Canada's Universal Child Care Plan, including:<br>• Administration of the Universal Child Care Benefit for all children under six, in partnership with Canada Revenue Agency; and | On-going maintenance and updating of the website on Canada's Universal Child Care Plan (**www.universalchildcare.ca**)<br>Continued work with the Canada Revenue Agency to ensure successful implementation of the Universal Child Care Benefit, including on-going monitoring of take up rates for families with children less than six years of age. |
| • Implement a new Child Care Spaces Initiative to support the creation of child care spaces. | Supported the Minister of Human Resources and Social Development in discussions with provinces and territories during the summer 2007 regarding federal expectations for use of the $250 million per year as per Budget 2007 to support provinces and territories in the creation of child care spaces that are responsive to the needs of parents and administered in an efficient and accountable manner.<br>For 2007–2008, this funding was provided through a direct transition payment.<br>Human Resources and Social Development Canada worked with Finance Canada and the Canada Revenue Agency on the design of the Investment Tax Credit for Child Care Spaces to support employers in the creation of child care for their employees and the broader community. |
| Continue implementation of the 2000 Federal/Provincial/Territorial Early Childhood Development Agreement and the 2003 Federal/Provincial/Territorial Multilateral Framework on Early Learning and Child Care. | As part of the agreement to report regularly on how young children are doing and on their investments in programs and services, two key reports were published in August 2007.<br>*The Well-Being of Canada's Young Children: Government of Canada Report 2006, and the Early Learning and Child Care Activities and Expenditures: Government of Canada Report 2004–2005 and 2005–2006*. As well, the development of a database to replace the annual reports on early childhood development and early learning and child care activities and expenditures is under development. |
| Continue to work with provincial and territorial governments on the National Child Benefit Initiative. | In collaboration with Provincial and Territorial partners, released the National Child Benefit Progress Report: 2005, and compiled the forthcoming National Child Benefit Progress Report: 2006. |
| Contribute to the development and implementation of a Working Income Tax Benefit for low and modest-income Canadians and their families. | Worked closely with the Department of Finance in the early development and design stages of the Working Income Tax Benefit, and continue to assess its impact on low-income populations in Canada. |

## Evaluations and Audits

An interdepartmental advisory committee was convened to oversee the activities of the Universal Child Care Benefit evaluation. The Universal Child Care Benefit terms of reference were approved by the committee and work is proceeding to complete an evaluation framework and formative evaluation for 2008–2009. The formative evaluation will assess the effectiveness, efficiency, and accountability of the processes and procedures established for the administration of the Universal Child Care Benefit. Design, delivery and take-up, as well as governance and accountability issues will be addressed at this formative stage of evaluation. In addition, a review of data to enable ongoing performance measurement and long-term impact assessment will also take place during this period.

## Lessons Learned

Reporting on the national success of the Universal Child Care Benefit and particularly the number of eligible Canadian families versus those who receive the benefits required appreciating that the numbers of eligible recipients were based on the 2006 Census. However, the numbers who receive the benefit were based on data from the current calendar year. The discrepancies will become larger with time until we have access to 2011 Census data.

Furthermore, this data had limited ability to assess coverage at a geographically disaggregated data level (provincial or territorial). Given the movement of people, the use of out-dated Census data results in considerable variances across regions.

Program Activity

# Housing and Homelessness

The Department implemented the Homelessness Partnering Strategy, which works to put in place the structures and supports needed to help individuals move towards self-sufficiency, thus preventing and reducing homelessness in Canada. The Federal Government announced the Homelessness Partnering Strategy, which replaced the National Homelessness Initiative, on December 19, 2006.

The Strategy focuses on longer-term housing and support solutions following the "housing-first" approach, which recognizes that housing stability is a precondition to achieving positive socio-economic outcomes and full participation in Canadian society.

The Strategy's five objectives are: prevention and reduction of homelessness through community-based approaches; longer-term solutions (transitional and supportive housing and related supports); enhanced provincial and territorial partnerships; horizontal linkages with other federal programs and policies; and strengthened accountability and results.

The Homelessness Partnering Strategy is delivered through three initiatives: Homelessness Partnership Initiative; Homelessness Accountability Network; and Surplus Federal Real Property for Homelessness Initiative. The Homelessness Partnering Strategy flows funds to more than 61 communities in order to assist them in addressing homelessness, at the local level.

## Horizontal and Partnership Work

A number of horizontal pilot projects were created to enhance collaboration with other relevant federal programs and policies whose outcomes affect or are affected by homelessness. One example, developed in collaboration with Justice Canada and Health Canada, provides transitional housing to Drug Treatment Court participants in Toronto and Vancouver to ensure a secure living space while they complete treatment.

The Surplus Federal Real Property for Homelessness Initiative program, which makes unused federal properties available to provide housing for homeless and at-risk people, is managed through a long-standing inter-departmental partnership with Public Works and Government Services Canada. The Initiative was renewed, and all outstanding Initiative projects from National Homelessness Initiative Phase II were completed. Eight properties were transferred to community organizations under the Initiative, resulting in more supportive and affordable housing, and support services for homeless and at-risk individuals and families.

The new Canada-Quebec Agreement and Memorandum of Understanding with Ontario were both signed, and bilateral negotiations were held with every province and territory. These negotiations have led to enhanced dialogue and an understanding of the need to better align investments on the ground. As well, in some provinces (e.g., Saskatchewan, and Newfoundland and Labrador), these negotiations served to increase federal horizontal collaboration and improved coordination and delivery of services.

Discussions with community partners has resulted in the drafting of a business case paper which demonstrates how the private sector can become further engaged in supporting efforts to reduce homelessness in Canada.

The dissemination of these private sector good practices will inspire the not-for-profit and private sectors to find ways to further collaborate in preventing and reducing homelessness.

## Research and Knowledge Dissemination Work

Activities with various organizations have resulted in greater understanding of homelessness throughout the Department which will in turn influence the development of policies and programs reflecting the needs and realities of the homeless population. These activities include: chairing the Homelessness Working Group at the bi-annual National Housing Research Committee meeting on November 5, 2007; and participating in the Department's Policy Research Coordinating Group meetings, which have served to strengthen research linkages between homelessness and other Human Resources and Social Development Canada research areas such as communities, families, children and youth, seniors, inclusion, and poverty.

The Homelessness Knowledge Development Program's Call for Proposals resulted in a partnership with Citizenship and Immigration Canada Metropolis office for a project addressing immigration and homelessness; and a partnership with the Social Sciences and Humanities Research Council of Canada for a project addressing diversity and homelessness. In the fall of 2007, a knowledge transfer event (Café Scientifique) was funded in partnership with the Canadian Institutes on Health Research. All these activities led to increased knowledge and information sharing which is being used to support better-informed policies, investment decision-making, and the provision of services to homeless and at-risk persons.

A National Stakeholders Forum was held in January 2008, giving communities and service providers the opportunity to share best practices. The Homelessness Partnering Strategy also hosted 6 thematic national telephone forums throughout the year.

## Community Development Work

As part of the Homelessness Partnering Secretariat's efforts to better assist communities across Canada, the Secretariat led the National Homelessness Initiative Phase II Community Plan Assessment; produced assessment documents; provided support to communities; and provided orientation sessions to community representatives, city staff and facilitators on the Community Plan Assessment Framework and tools. The Secretariat developed community planning documents for the Homelessness Partnering Strategy 2007–2009, and provided training and support to communities to help them identify community priorities. Community priorities were approved, resulting in more longer-term solutions, support and prevention services, and programs and shelters for homeless and at-risk Canadians.

## Strategic Outcome Indicators

### Housing and Homelessness

| Indicators | Current Level |
|---|---|
| Core Housing Need. | 1.5 million Canadian households 13.7% (2001 Census).<br>Data Systems and Controls Rating: Good |

## Program Indicators

### Housing and Homelessness

| Program Indicators | 2007–2008 Target | Results |
|---|---|---|
| Amount invested in communities by external partners (not-for-profit groups, private sector organizations and other government departments) for every dollar invested by the Homelessness Partnership Initiative. | $1.50 | $3.18<br>Data Systems and Controls Rating: Good |
| **Comments:** All investments were directed toward supports and services based on priorities established by the community. | | |
| Percentage of all Homelessness Partnership Initiative investments targeted to long-term stable housing and related services. | 65% | 73.9%<br>Data Systems and Controls Rating: Good |
| **Comments:** Transition year full results not available. Results represent carry- over projects from Phase II of the National Homelessness Initiative (predecessor of the Homelessness Partnering Strategy). | | |

## Achievements Against Priorities

### Housing and Homelessness

| Plan | 2007–2008 Achievements |
|---|---|
| **Priority:** Implement the new Homelessness Partnering Strategy | |
| Allocate program funding based on approved community plans/projects, and update program guidelines and tools to implement the new Homelessness Partnering Strategy that will ensure continuity of services to homeless people. | To ensure that funding is directed to projects reflecting local needs and providing local solutions, 73 community plans were approved in the fall of 2007 and, in February 2008, 505 projects totalling $150 million were announced. These projects helped homeless and at-risk people move along the path to independent and productive living.<br><br>The National Homelessness Initiative Phase II Community Plan Assessment provided communities across Canada with assessment and planning documents, support, orientation sessions, tools, and training in order to better assist them in making strategic investments in supportive and transitional housing, shelters, and support and prevention services.<br><br>Operational guidelines and tools were developed to assist regions and proponents with preparing funding submissions for projects designed to effectively help homeless and at-risk people achieve greater self-sufficiency and longer-term housing solutions.<br><br>Amendments to the renewed Terms and Conditions of the Surplus Federal Real Property for Homelessness Initiative continued to provide housing and services for homeless and at-risk people throughout Canada. The extension of the provision for the maintenance of the services provided from 5 to 15 years ensures longer protection of existing investments and more stability for residents housed as a result of the Initiative.<br><br>To ensure that homeless people experienced no gap in services, a total of $46 million in essential services to the homeless population was approved at the onset of the Strategy in April 2007. |
| Focus on achieving tangible results for homeless persons through a housing-first approach. | Outcome indicators were developed for the Community Plan and Project Results to measure tangible results including transitions to more stable longer-term housing.<br><br>Provided training and tools to regions and community organizations for planning and data collection to support them in identifying and reporting on outcomes achieved for the homeless and at-risk population.<br><br>Developed the new Homelessness Electronic Reporting Information Network database, which has enabled comprehensive data analysis that focuses on results. |

| Plan | 2007–2008 Achievements |
|---|---|
| **Priority:** Develop partnerships to better align investments | |
| Develop bilateral arrangements with provinces and territories to align federal capital investments with provincial/territorial investments in social services. | The new Canada-Quebec Agreement and a new Memorandum of Understanding with Ontario on research and information sharing were signed and bilateral negotiations were held with every province and territory. These initiatives helped to align investments as well as produce and disseminate information to help develop solutions to homelessness. |
| Shape meaningful public-private partnerships in the context of addressing homelessness challenges. | Documented and disseminated best practices through the paper entitled "Doing Well by Doing Good: Analysis of the Business Case for Private Sector Engagement in Homelessness". The business case reviews private sector motives for engagement and documents a range of strategic private sector activities that will help the not-for-profit and private sectors create mutually beneficial partnerships to reduce homelessness.<br>Held a workshop on engaging the private sector at the Homelessness Partnering Strategy National Forum which provided an encouraging environment and conditions to facilitate partnerships.<br>Held 2 telephone forums – one on social enterprises and the other on Business Improvement Associations – to facilitate dialogue and partnerships. |
| **Priority:** Strengthen horizontal links between housing and homelessness and other policy areas | |
| Improve coordination and reporting of horizontal links with federal partners. | Lessons learned on horizontality played an important role in the development of the new Homelessness Partnering Strategy. For example, new horizontal pilot projects with other federal departments were investigated and/or funded to develop effective ways of helping homeless and at-risk people on cross-cutting issues. One of these projects partnered the Department with Justice Canada and Health Canada on the related issues of homelessness, the judicial system and addictions.<br>Collaborated with Public Works and Government Services Canada and Canada Mortgage and Housing Corporation in the management of the Surplus Federal Real Property for Homelessness Initiative that makes unused federal properties available to provide housing for homeless and at-risk people. |
| Develop pilot projects to test innovative and collaborative approaches to preventing and reducing homelessness. | A series of horizontal pilot projects was developed by government departments working together to introduce new programs and services for homeless and at-risk people across Canada.<br>The Homelessness Partnering Strategy identified five priority areas for enhanced collaboration: physical and mental health; justice and corrections; immigrant settlement; employment and skills development; and Aboriginal issues. |

| Plan | 2007–2008 Achievements |
|---|---|
| | The following 10 projects were begun or planned in 2007–2008:<br>1. Supportive Housing Component to Drug Treatment Courts;<br>2. Case Management for Aboriginal Persons with HIV/AIDS;<br>3. Integrated Employability Supports and Transitional Housing to Persons Involved in the Criminal Justice System;<br>4. Transitional Housing and Support Services for Newcomer Women;<br>5. Tending the Fire Leadership Program;<br>6. Pre-discharge Support to Federal Offenders;<br>7. Linking Transitional Housing and Employment Preparation for Persons with Disabilities;<br>8. Housing and Employment Support for Homeless Youth in St. John's;<br>9. Housing Support to Aboriginal Persons to Bolster Outcomes of Employment Interventions; and<br>10. Support Workers for Street Youth. |

# Evaluations and Audits

A summative evaluation of the National Homelessness Initiative was completed in 2006–2007 and demonstrated that the program's strengths include increasing community capacity, establishing a continuum of supports and services, increasing knowledge and understanding of homelessness, contributing to a reduction in homelessness, and impacting the daily life of individuals.

The four conclusions resulting from the National Homelessness Initiative Evaluation suggested: a continued need for federal government involvement; further development of ongoing partnerships with multiple orders of government and various sectors; additional coordination at the federal, provincial and territorial levels; and that performance measurement should include on-going measurement of medium- and long-term outcomes.

These conclusions were used to develop the new Homelessness Partnering Strategy which the Minister announced on December 19, 2006. The Homelessness Partnering Strategy, which took effect on April 1, 2007, works to prevent and reduce homelessness across Canada through five objectives: prevention and reduction of homelessness through community-based approaches; longer-term solutions (transitional and supportive housing and related supports); enhanced provincial and territorial partnerships; horizontal linkages with other federal programs and policies; and strengthened accountability and results.

# Lessons Learned

Homelessness is a multifaceted and complex issue which intersects with numerous policy areas involving many federal departments and other orders of government. The summative evaluation of the National Homelessness Initiative, completed in 2006–2007, clearly stated the need for: further development of ongoing partnerships with multiple orders of government; additional coordination at the federal, provincial and territorial levels; and ongoing measurement of medium- and long-term outcomes. These recommendations were addressed in the design of the National Homelessness Initiative's successor, the Homelessness Partnering Strategy, which took effect on April 1, 2007, with the goal of preventing and reducing homelessness across Canada.

### Partnerships with Multiple Orders of Government

The new Homelessness Partnering Strategy includes an offer to partner bilaterally with provinces and territories in order to maximize outcomes for homeless people in Canada and ensure a better alignment of federal and provincial resources. Bilateral discussions were carried out with every province and territory, resulting in enhanced dialogue as well as the signing of a new Canada-Quebec Agreement and a new Memorandum of Understanding with Ontario on research and information sharing.

Lessons learned include:

- Progress is not linear when negotiating with various jurisdictions; ongoing dialogue is often required.
- External factors can impede progress, and can have implications for bilateral discussion and negotiations.
- The concept and understanding of bilateral partnership on homelessness varies across provinces and territories.
- Flexible models and arrangements, reflecting regional differences, are more effective than a one-size-fits-all approach.
- Sharing information about Government of Canada priorities, program elements and processes regarding homelessness helps to advance discussions.

### Horizontal Collaboration

The Homelessness Partnering Strategy encourages greater horizontal collaboration with other federal programs and departments whose mandates relate to homelessness. Such collaboration is largely pursued through discussions and dialogues between Human Resources and Social Development Canada and other federal departments at the Assistant Deputy Minister level; and also through the implementation of joint pilot projects that address root causes and common issues. For example, a pilot project in partnership with Justice Canada and Health Canada has been launched to understand whether access to supportive housing can reduce recidivism and improve the interventions provided by the Drug Treatment Court Program. In 2007, the Department also explored possibilities for a number of other pilot projects in partnership with the Public Health Agency of Canada, Correctional Service Canada, Canadian Heritage, Public Safety, and Status of Women Canada. The pilot project findings will enhance understanding about the types of interventions that effectively address the needs of vulnerable populations such as Aboriginal persons, recent immigrants, people with disabilities, offenders, youth and women.

In 2007, a roundtable of senior officials was convened to discuss how greater horizontality can be fostered at the federal level. The roundtable, as well as the process of negotiating the pilot projects, has yielded some valuable lessons on horizontality:

- Many federal departments have recognized the value of working collaboratively and have explicit mandates to work horizontally, which has greatly facilitated partnering.
- Collaborative work is labour-intensive and requires officials who demonstrate strategic vision, attention to detail, and brokering skills.
- Although it can be a challenge for programs to coordinate when their funding instruments and program architecture are different, the variety of structures and instruments can also foster creativity and innovation.
- When practical and accountability considerations are factored into horizontal work, all departments feel invested in the outcomes; this can lead to more sustained and systematic collaboration.

### Performance Measurement

A new performance measurement strategy was developed to track, on an ongoing basis, the Homelessness Partnering Strategy's progress in achieving the outcome of preventing and reducing homelessness. "Generic" outcome indicators were developed for use at both the project and community levels, to collect relevant national data. These indicators, which focus on transitions to and retention of housing, were designed to measure the path from homelessness to being stably housed, which is often non-linear.

Part of the challenge with implementing the performance measurement strategy was ensuring that the indicators provided relevant information that measured the effectiveness of the Homelessness Partnering Strategy, without overburdening funding recipients with reporting requirements. Recognizing that regions and community organizations need support for data collection, the Strategy provided data collection tools, training and ongoing consultation.

## Financial and Human Resources 2007–2008

### Social Investment, Children and Families, and Housing and Homelessness

| (millions of dollars) | PLANNED SPENDING | AUTHORITIES | ACTUAL |
|---|---|---|---|
| **FINANCIAL RESOURCES (GROSS)** | | | |
| Social Investment | 59,971.1 | 59,930.5 | 59,902.7 |
| Children and Families | 2,481.2 | 2,484.5 | 2,482.1 |
| Housing and Homelessness | 144.5 | 165.6 | 116.6 |
| **Total Financial Resources (Gross)** | **62,596.8** | **62,580.6** | **62,501.4** |
| **HUMAN RESOURCES (FULL TIME EQUIVALENTS)** | | | |
| Social Investment | 1,009 | 976 | 976 |
| Children and Families | 163 | 60 | 60 |
| Housing and Homelessness | 319 | 175 | 175 |
| **Total Human Resources (Full Time Equivalents)** | **1,491** | **1,211** | **1,211** |

## Details by Programs and Services 2007–2008

### Social Investment, Children and Families, and Housing and Homelessness

| Financial Resources (millions of dollars) | Planned Spending | Authorities | Actual |
|---|---|---|---|
| **Social Investment** | | | |
| Seniors and Pensions | 55,933.4 | 56,203.2 | 56,203.2 |
| Disability Programs | 273.7 | 263.7 | 263.7 |
| Canada Pension Plan - Disability | 3,667.0 | 3,337.4 | 3,337.4 |
| Community Development and Partnerships | 54.0 | 55.3 | 55.3 |
| Allocated Corporate Services[a] | 43.0 | 53.9 | 43.0 |
| Other[b] | - | 17.0 | 0.1 |
| **Sub-Total** | **59,971.1** | **59,930.5** | **59,902.7** |
| **Children and Families** | | | |
| Child Care | 2,460.6 | 2,474.4 | 2,474.4 |
| Multilateral Framework for Early Learning and Child Care | - | 0.1 | 0.1 |
| Early Childhood Development Agreements | 2.8 | - | - |
| National Child Benefit | 2.4 | 0.4 | 0.4 |
| Other[b] | 8.8 | 1.3 | 0.6 |
| Allocated Corporate Services[a] | 6.6 | 8.3 | 6.6 |
| **Sub-Total** | **2,481.2** | **2,484.5** | **2,482.1** |
| **Housing and Homelessness** | | | |
| Homelessness Partnership Initiative | 128.0 | 148.5 | 104.1 |
| Homelessness Accountability Network | 1.8 | 3.3 | 1.5 |
| Surplus Federal Real Property for Homelessness Initiative | 3.7 | - | - |
| Allocated Corporate Services[a] | 11.0 | 13.8 | 11.0 |
| **Sub-Total[c]** | **144.5** | **165.6** | **116.6** |
| **Total** | **62,596.8** | **62,580.6** | **62,501.4** |
| **Human Resources (Full Time Equivalents)** | | | |
| Social Investment | 1,009 | 976 | 976 |
| Children and Families | 163 | 60 | 60 |
| Housing and Homelessness | 319 | 175 | 175 |
| **Total - Full Time Equivalents** | **1,491** | **1,211** | **1,211** |

[a] Corporate Services resources related to the Minister's Office, the Deputy Minister's Office, the Comptroller's Office and the Shared Services have been prorated to each program activity.

[b] Other category is for the resources which are not directly related to the sub-activities identified.

[c] A new program, the Homelessness Partnering Strategy, was announced in December 2006 and is funded for two years (2007-2008 and 2008-2009).

# Achieve Better Outcomes for Canadians Through Service Excellence

Program Activity

# Service Canada

In its third year of operation, Service Canada continued to offer one-stop, easy-to-access service to Canadians across multiple service delivery channels including telephone, Internet, in-person and mail. With 18,000 employees, Service Canada provided Canadians 620 points of service across the country. The organization served Canadians efficiently through its national 1 800 O-Canada number and the network of call centres. Service Canada increased the volume of its services offered on the Internet at **www.servicecanada.gc.ca/en/home.shtml**

**Did You Know?**

**Last year, Service Canada served more than 32 million Canadians by:**

- paying $78 billion ($210 million a day) in benefits to Canadians
- processing more than 5 million applications for government benefits
- receiving 26.6 million visits to the Service Canada website
- receiving 9.2 million in-person visits to the Service Canada points of service
- handling 51 million telephone calls

In collaboration with federal departments and agencies and other orders of government and numerous voluntary organizations, Service Canada delivered a wide range of integrated programs and services to Canadians – further streamlining the way in which government services were delivered. Service Canada recorded accomplishments in connecting citizens to their government and to the full array of programs and services. In all these initiatives, Service Canada protected the personal information of Canadian citizens and residents while ensuring integrity in the process of allocating benefits to eligible recipients.

## Program Indicators

### Service Canada

| Program Indicators | 2007–2008 Target | Results |
|---|---|---|
| Specialized calls answered by an agent within 180 seconds -information and transaction. | 95% | 58.5%<br>Data Systems and Controls Rating: Good |
| **Comments:** Result for the Canada Student Loans Program: 94.5%<br>Result for Canada Pension Plan and Old Age Security: 75%<br>Result for Employment Insurance: 41%<br>Service Canada continues to make improvements to its specialized call centres by transforming the current program-silo network to an integrated network. When fully implemented, this means that workload can be managed nationally, eventually enabling agents to respond to Canadians across programs and from any geographic location. | | |
| General calls answered by an agent within 18 seconds (1 800 O-Canada). | 85% | 88%<br>Data Systems and Controls Rating: Good |
| Access to automated telephone information services. | 95% | 95.4%<br>Data Systems and Controls Rating: Good |
| 24/7 availability of Internet-information and transaction. | 98% | 99.3%<br>Data Systems and Controls Rating: Good |
| Number of forms online in formats accessible for people with disabilities. | 10 | 11<br>Data Systems and Controls Rating: Good |
| Percentage of Canadians with access within 50 kms of where they live. | 90% | 95.4%<br>Data Systems and Controls Rating: Good |
| Number of Service Canada Centres with extended hours of service. | 60 | 62<br>Data Systems and Controls Rating: Good |
| Number of established points of service for Official Language Minority Community Groups. | 17 | 37<br>Data Systems and Controls Rating: Good |
| Languages offered other than English and French. | 10 | 20<br>Data Systems and Controls Rating: Good |

| Program Indicators | 2007–2008 Target | Results |
|---|---|---|
| Notifications sent within seven days of receipt of applications. | 80% | 65.8%<br>Data Systems and Controls Rating: Good |
| **Comments:** When Canadians apply on-line, they are immediately notified of the receipt of their application. At this time notification within 7 days for paper-based claimant applications cannot be guaranteed.<br>**Result** for Employment Insurance: 97.6% of initial applications and 85.5% of renewal applications are received electronically through the internet and are instantly acknowledged.<br>for the Canada Pension Plan: 24% of Canada Pension Plan retirement applications were received on line and acknowledged instantly.<br>for Old Age Security: Old Age Security and Guaranteed Income Security applications are not automated bringing the overall indicator result down to 65.8%. Old Age Security applications on-line is planned for 2009-2011. | | |
| Canada Pension Plan retirement benefit payment or non-payment notification issued within first month of entitlement. | 85% | 91.8%<br>Data Systems and Controls Rating: Good |
| Employment Insurance benefit payment or non-payment notification issued within 28 days of filing. | 80% | 80.3%<br>Data Systems and Controls Rating: Good |
| Employment Insurance Umpire Appeals sent to the Office of the Umpire within 60 days. | 100% | 98.3%<br>Data Systems and Controls Rating: Good |
| Employment Insurance Board of Referee Appeals scheduled within 30 days. | 90% | 78.1%<br>Data Systems and Controls Rating: Good |
| **Comments:** Service Canada processed over 45,000 appeals filed by clients. The Board of Referees heard over 22,000 client appeals – most within 30 days from receipt. | | |
| Old Age Security basic benefit payment or non-payment notification issued within first month of entitlement. | 90% | 93.7%<br>Data Systems and Controls Rating: Good |
| Pleasure craft licences issued in a visit. | 90% | 89.8%<br>Data Systems and Controls Rating: Good |
| SINs issued in a visit. | 90% | 93%<br>Data Systems and Controls Rating: Good |
| **Comments:** Results include the Social Insurance Number Rapid Access, the Newborn Registration Services in Ontario and British Columbia, and the Teleapp in New Brunswick. | | |
| Accuracy rate of payments (includes Employment Insurance and Old Age Security) (Canada Pension Plan under development). | 95% (Employment Insurance)[a] | 94.4%<br>Employment Insurance 94.3% (Employment Insurance – 12 month moving average)<br>97.7% (Old Age Security – Year-to-date results<br>Data Systems and Controls Rating: Good |

| Program Indicators | 2007–2008 Target | Results |
|---|---|---|
| Client satisfaction in relation to services provided. | 80%[b] | N/A<br>Data Systems and Controls Rating: Good |

[a] A combined indicator for Employment Insurance and Old Age Security payments will be implemented in 2007–2008.

[b] Refers to biannual client satisfaction survey which will be supplemented by a range of client feedback and related mechanisms.

The following indicators also provide information concerning the Department's performance.

## Additional Measures

| Program Indicators | Results |
|---|---|
| Number of new Service Offerings | 7<br>Data Systems and Controls Rating: Good |
| Canada Pension Plan Applications | 644,182<br>Data Systems and Controls Rating: Good |
| Employment Insurance Applications | 2,643,091<br>Data Systems and Controls Rating: Good |
| Old Age Security Applications | 2,282,955<br>Data Systems and Controls Rating: Good<br>[a] Includes Guaranteed Income Supplement (GIS) automatic renewals |
| **Comments:** The target of 52.9 million reported in the 2007–2008 Report on Plans and Priorities was a printing error and should have read 2.3 million. | |
| Passport Applications | 267,112<br>Data Systems and Controls Rating: Reasonable |
| **Comments:** Results for number of passport applications received dramatically surpassed the planning assumption primarily due to the increase in the number of Service Canada passport receiving agents from 35 in 2006–2007 to 101 locations in 2007–2008 to respond to the implementation of the Western Hemisphere Travel Initiative. | |

| Program Indicators | Results |
|---|---|
| Pleasure Craft Licences Applications | 128,516<br>Data Systems and Controls Rating: Reasonable |
| Social Insurance Number Requests | 1,445,146<br>Data Systems and Controls Rating: Good |
| Number of employment program clients served | 563,704<br>Data Systems and Controls Rating: Weak |
| In-person visits - Assisted clients (personally and Internet) | 8,252,432<br>Data Systems and Controls Rating: Reasonable |
| In person visits - Self-served clients | 963,564<br>Data Systems and Controls Rating: Reasonable |
| Internet visits | 26,620,460<br>Data Systems and Controls Rating: Good |
| Job seekers using Job Bank | 113,197,773<br>Data Systems and Controls Rating: Good |
| Telephone calls - specialized calls answered by an agent | 9,325,396<br>Data Systems and Controls Rating: Good |
| **Comments:** Specialized program calls include Employment Insurance, Canada Pension Plan, Old Age Security and Canada Student Loans Program. | |
| Telephone calls - answered in the Interactive voice response system | 45,690,248<br>Data Systems and Controls Rating: Good |

Program Activity

# Seamless, Citizen-Centred Service

Service Canada made progress toward its goal of providing one-stop personalized service for Canadians with consistent, quality service across all delivery channels and responding to the identified service delivery interests of Canadians. Service Canada sought to deliver the services Canadians want and to provide those services as close to where they live as possible. The work in this program activity took place under three priorities: Transforming Service to Canadians, Achieving and Sustaining a Service Excellence Culture and Strengthening Accountability and Transparency.

## Transforming Service to Canadians

Service Canada continued its efforts to transform the service it provided to Canadians through the following four commitments: Expanding Service Canada's Regional and Community Presence; Integrating Call Centres; Implementing Service Strategies for Client Segments; and Undertaking Business and Product Development. These commitments are described in the following sections.

### Expanding Service Canada's Regional and Community Presence

Service Canada expanded its regional and community presence through a number of initiatives that increased Canadians' awareness of Government of Canada programs and services. The initiatives included national, regional and community-based advertising for both program-specific and new service offerings, and participation in public events.

Service Canada increased awareness of its programs and services through the "Service to Canadians" national advertising campaign using four program-specific television advertisements, each emphasizing easy access and encouraging Canadians to "CALL, CLICK, OR VISIT." The campaign contributed to an increase in the number of calls placed to 1 800 O-Canada, and visits to the Service Canada website for the advertised services and programs. Marketing research showed citizen recall of Service Canada increased an average of 51% over the past 12 months. Service Canada also enhanced its presence by interacting with provincial and territorial governments and community groups, and promoting its services at local events such as career fairs, expositions and Chamber of Commerce meetings.

Service Canada Centres installed 91 new signs with the Service Canada brand and also established information kiosks, further increasing public awareness at the community level. Staff provided information sessions on client services, including those for families, children, First Nations, new Canadians and workers who have lost their jobs. The organization has implemented new service offerings into operations, call centres and on the Web and has participated in the design and rollout of several new offerings, most notably the Common Experience Payment and the ecoAUTO Rebate Program.

Service Canada expanded access to service by opening 33 new points of service, including full Service Canada Centres, scheduled outreach sites and Service Canada Community Offices, bringing the total number of Service Canada points of service to 620. Through this expansion, 95.4% of Canadians now reside within 50 kilometres of a Service Canada point of service, exceeding the national target of 90%. Our in-person channel received over 9 million visits by clients. Additionally, increasing its outreach services closer to where Canadians live, Service Canada representatives visited hundreds of smaller communities, which allowed clients to access service in their own surroundings.

### Integrating Call Centres

Service Canada made strides to further integrate Service Canada call centres while continuing to answer 88% of the 1.8 million general calls within our 18 second goal. As part of our integration efforts we are developing a new Client Contact Centre Model that will help ensure we can resolve client's concerns on first contact. Progress towards full implementation of the Client Contact Centre Model included the recent implementation of the national Common Reference Tool to supply all call centre agents with a comprehensive listing of services and procedures so all clients receive consistent information. Developing the Contact Model

includes developing a common platform so that national call centres can leverage capacity during peak business hours.

Moreover, a pilot launched in New Brunswick and Quebec routed less complex, quick response questions to agents with general training and more complex questions to a specialized pool of agents, improving call centre and benefits processing efficiency. In its first weeks, this service handled 2,216 support calls while meeting an 87.7% service level in 15 seconds.

To ensure accuracy, call centres adjusted and improved the interactive voice response system and continually trained call centre agents. Reviewing client feedback ensured that information was always accurate, complete and responsive to client demands. In addition, to effectively support Members of Parliament in their role in addressing issues raised by their constituents, the Telephone Inquiries Resolution Service for Parliamentarians (MP Line) pilot was extended to serve an additional 110 members.

## Implementing Service Strategies for Client Segments

In 2007-2008, Service Canada developed strategies for seniors and workers, and made progress in implementing strategies for newcomers to Canada and people with disabilities. In the development of client profiles for the strategy for people with disabilities, Service Canada held a number of consultations which resulted in the development of the draft Policy on Services for the Deaf, Deaf-Blind, Deafened and Hard of Hearing, a key element of this segment. Through utilization of these client profiles, Service Canada ensured that client communities were aware of available offerings and that agents were able to tailor their service delivery to the unique and varied circumstances of these communities.

Service Canada met its obligation of enhancing the vitality of official language minority communities by advancing a horizontal framework for these communities that feeds into all of the client segment strategies. The client segment strategy for official language minority communities is based on five guiding principles to ensure that members of these communities receive the same quality of service as majority language communities and that Service Canada provides leadership to other departments in a joint approach for official language minority communities.

## Undertaking Business and Product Development

Service Canada integrated new services into its service delivery channels, and participated in the rollout of several new offerings, most notably the ecoAUTO Rebate Program and the Common Experience Payment for former residents of Indian Residential Schools. A strategy to help quickly coordinate activities guided various steps in the integration of new services and the expansion of others.

The settlement agreement for the Common Experience Payment came into effect on September 19, 2007. Approximately 90,000 Aboriginal Canadians have applied for the Common Experience PaymentService Canada played a key role in delivering the service with Indian Residential Schools Canada. By March 31, 2008 Service Canada had received over 90,000 applications from Aboriginal Canadians to date and had processed over 60,000 payments have been made. Service Canada developed application processing solutions to deal with this high volume. Through this initiative, Service Canada played an important and sensitive role in meeting Canada's commitment pursuant to the Indian Residential Schools Settlement Agreement, and serving Aboriginal communities.

In August 2007, the government announced the ecoAUTO Rebate Program which Transport Canada launched jointly with Service Canada in October. Cheques totalling over $72 million were issued to Canadians in 2007–2008.

Service Canada developed plan to expand the Passport Receiving Agent service to 99 additional Service Canada Centres. In 2007–2008, more than 267,000 passport applications were received processed, verified for accuracy and sent to Passport Canada for processing – a substantial increase from the nearly 71,000 applications received the previous year.

Service Canada managed and coordinated the implementation of the Apprenticeship Incentive Grant program, introduced in 2006–2007. The organization issued payments to 93% of the 31,485 eligible applicants within 28 days, exceeding the national target of 85%.

Service Canada partnered with through a successful partnership with the Department of Fisheries and Oceans to expeditiously deliver the Ice Compensation grant to East Coat fishers affected by the ice conditions. Service Canada initiated the Ice Compensation Program within eight weeks, although some design and

implementation issues for application processing were resolved only after the program's launch. A management review concluded that the program worked well and that the partnership between Service Canada and the Department of Fisheries and Oceans was effective.

## Achieving and Sustaining a Service Excellence Culture

The approach Service Canada has taken to making service excellence a reality entails creating an internal culture to support staff development and reinforce organizational and staff commitment to providing client-centred service. Service Canada's commitment to service excellence expanded through a number of concrete internal efforts that included: Service Canada College's development of a suite of service excellence courses for client service staff; registration of client service staff in the Service Excellence Certification Program; development of an employee development plan and a learning policy; delivery of training oriented for both new staff and new managers; and for new client services, and implementation of a Leadership and Management Development Program.

### Building for Service Excellence

Service Canada College, the organization's corporate learning institution, developed a suite of service excellence courses for client-facing employees, corporate service employees and management. The suite includes the Service Excellence Certification Program, launched in 2006 and made accessible to all Service Canada employees, as well as the Service Leadership and Management Excellence Development Program launched in October 2007. Service Canada surpassed its 2007–2008 target of registering 30% of client service staff in the Service Excellence Certification Program by registering 41.2% (1,637) of its employees in addition to the 26.4% (1,163 employees) registered in 2006–2007.

To promote the role learning plays in cultural change, the Service Canada College integrated all national learning, training and development resources. The College also developed a national learning strategy, based on Service Canada's *Policy on Learning, Training and Development*, which was approved in February 2008. This policy was developed in consultation with internal and external stakeholders. As part of this strategy, Service Canada established an employee development plan, along with a learning policy and directives on required training.

Service Canada College was recognized in the Public Service Renewal: 15th Annual Clerk's Report on the Public Service, which called the College a good example of a departmental renewal initiative and praised its "high quality courses and a uniform curriculum contributing to building solid customer relations management skills for front-line staff."

### Achieving Service Excellence

As part of Service Canada's performance management initiatives, all employees are required to complete personal learning plans. By March 31, 2008, a total of 91.6% of employees had prepared their plans. Managers assessed and discussed personal learning plans with their employees. Learning plans and the corresponding discussions were individually registered in the Service Canada Corporate Management System. All client service staff were offered training to deliver the full suite of Service Canada programs and services. Front-line processing and management staff were trained to provide a knowledgeable first point of contact for the Government of Canada and to support one stop service delivery.

Learning was further supported by a commitment in all Executive Heads' performance management agreements that new employees would successfully complete the Canada School of Public Service orientation course within six months of their start date.

A similar commitment was made to provide authority delegation training for new managers. Of the 421 new supervisors, managers and executives, approximately half completed their training during the fiscal year. Service Canada continued to work with the Canada School of Public Service to support capacity requirements and ensure timely training for all eligible employees.

To support the next phase in building a culture of service excellence, Service Canada designed, developed and implemented the Service Leadership and Management Excellence Development Program. The program focused on leadership competencies for managers, including performance management, strategic thinking and engagement. A strategic framework for greater employee engagement was also developed. These efforts were supported by a Service Canada Culture website which provided easy access to all culture-related documents for employees, regular messages from senior management and the weekly electronic employee news bulletin, *InfoService Canada*.

Senior Management committees monitored the implementation of annual recommendations made by the Office for Client Satisfaction in 2006–2007. The Department successfully addressed the recommendations of the Office.

### Rewarding Service Excellence

In support of service excellence, the newly enhanced Pride and Recognition Program managed the annual Service Canada Awards of Excellence—the highest awards offered by the organization. They have been presented annually to employees who have made a significant contribution to fulfill the mission, vision and values of Service Canada. Under the same program, the Years of Service Awards recognize employees' years of service with the Government of Canada in a fair, timely and equitable manner.

Results from the Service Canada Culture Survey indicated that Service Canada is on the right track in creating a culture of service excellence. Of the over 10,800 Service Canada employees who completed the survey, 92% indicated that they focussed on results for their clients.

## Strengthening Accountability and Transparency

### Reporting on Our Commitments to Canadians and to Parliament

In addition to the material provided through the *Report on Plans and Priorities* and the *Departmental Performance Report*, Service Canada continued to report on results for Canadians through its annual report and the corporate performance scorecard. The results of this year's performance scorecard indicators were tracked and validated, and reports were produced monthly and quarterly, thereby providing Service Canada's senior executives the proper tools to ensure an acceptable level of service to Canadians. Presentations were made to the Service Canada Management Board for discussion and to address corrective issues as required. Results for indicators relating to service standards were also made available to Canadians in the 2006–2007 Service Canada Annual Report.

The Audit and Evaluation Committee, chaired by the Deputy Head and consisting of assistant deputy ministers at headquarters and from the regions, met quarterly to review and approve evaluation and internal audit reports. These reports outlined progress on Assistant Deputy Minister-approved action plans to address issues raised in evaluations, internal audits and audits conducted by the Office of the Auditor General. In an effort to improve reporting to Canadians and parliamentarians, Service Canada developed the Audit Report Release Strategy to ensure internal audits are released within three to four months of Audit and Evaluation Committee approval and published on the Internet within an acceptable time frame.

In addition, the Office for Client Satisfaction gathered feedback from Canadians on service delivery through surveys and other information-gathering mechanisms. The Office identified client service trends and issues and helped the department learn from day-to-day experiences with Canadians. The Office for Client Satisfaction also provided the department its annual recommendations for improving services.

Service Canada provided greater accountability and transparency through improved and integrated planning. In the past year, Service Canada developed an Integrated Business Plan from the individual business plans submitted by each of Service Canada's branches and regions, as well as the Service Canada Human Resources Plan. The plan provided a broad picture of priorities for 2007–2008 and outlined Service Canada's strategic direction, business model, and key initiatives for the fiscal year. It also provided an agenda for the next three years.

Integrated planning is one of the principal priorities for public service renewal. Service Canada made its integrated plans available to employees by posting them on its intranet website.

## Achievements Against Priorities

### Seamless, Citizen-Centred Service

| Plan | 2007–2008 Achievements |
|---|---|
| **Priority:** Transforming service to Canadians | |
| Expanding Service Canada Regional and Community Presence | Market research shows citizen recall of Service Canada increased an average of 51%<br>33 new points of service bringing the total number of Service Canada points of service to 620, resulting in 95.4% of Canadians living within 50 kilometres of a point of service<br>Service Canada installed 91 new signs, further increasing public awareness at the community level |
| Integrating Call Centres | The Service Canada 1 800 O-Canada general information answered 88% of 1.8 million general calls within 18 seconds<br>The Common Reference Tool enabled all agents to provide Canadians with consistent information on all programs and services<br>A pilot program in New Brunswick and Quebec improved call centre and benefit processing efficiency by routing complex calls to specialized agents<br>The Members of Parliament Line was extended to serve 110 additional MPs, thereby assisting them to address issues directly with Canadians |
| Implementing Service Strategies for Client Segments | The Strategy for Seniors was introduced to ensure awareness of and receipt of due benefits and services<br>Service Canada maintained a Service for People with a Disability External Advisory Group to receive advice and feedback on disability benefits and services<br>To adhere to Official Language requirements and to provide adequate service to Official Language Minority. Communities, Service Canada developed a three-year detailed action plan |
| Undertaking Business and Product Development | Service Canada integrated new services into its service delivery channels, most notably the ecoAUTO Rebate Program, the Common Experience Payment for former residents of Indian Residential Schools, and the Ice Compensation Grant<br>Plans were developed to expand the Passport Receiving Agent Services in up to 99 additional Service Canada Centres<br>Service Canada managed and coordinated the implementation of the Apprenticeship Incentive Grant program launched in January 2007 |

| Plan | 2007–2008 Achievements |
|---|---|
| **Priority:** Achieving and rewarding a service excellence culture | |
| Building, Achieving and Sustaining Service Excellence | **Building Service Excellence**<br>Service Canada College developed a number of service excellence courses for client-facing employees, corporate service employees and management<br>The Service Leadership and Management Excellence Development Program was launched<br>A national learning strategy for employees was developed, including the establishment of an employee development plan; personal, professional and career development plan; reimbursement of tuition; and education leave<br>Service Canada College was recognized by the Clerk of the Privy Council as a good example of a departmental renewal initiative<br>**Achieving Service Excellence**<br>All learning plans and discussions about them between employees and managers were individually registered in the Service Canada Corporate Management System<br>Client service staff received continuous training to deliver a full suite of Service Canada programs and services<br>The Service Leadership and Management Excellence Development Program trained managers in areas of performance management, strategic thinking and engagement<br>Service Canada has successfully addressed the 2006–2007 recommendations made by the Office of Client Satisfaction<br>**Rewarding Service Excellence**<br>Branch and regional representatives from all levels participate in a newly enhanced Pride and Recognition Program<br>The Service Canada Culture Survey indicates 92% of employees focus on results for their clients |
| **Priority:** Strengthening accountability and transparency | |
| Reporting on Our Commitments to Canadians and to Parliament | Service Canada reported its results to Canadians through its annual report and corporate performance scorecard<br>Monthly and quarterly reports are produced for internal monitoring by senior executives<br>Developed the Audit Report Release Strategy to ensure audits are released publicly within an acceptable timeframe<br>The Office for Client Satisfaction identified client service trends and issues with an annual recommendation for improving services |

Program Activity

# Integrity

Canadians rely on Service Canada to ensure that benefits are distributed to the right people, in the right amounts and for the purposes for which they are intended. Service Canada uses proven risk management strategies and the integration of client information to meet this expectation. Organizational integrity is the focal point for this activity, which is organized under the priorities Strengthening Accountability and Transparency, and Achieving Client Information Integration.

## Strengthening Accountability and Transparency

### Establishing Enterprise-wide Integrity

Protecting the personal information of Canadians continued to be a high priority for Service Canada, which has developed more stringent procedures to help achieve this goal. Service Canada aimed for complete compliance with the security and privacy requirements for managing and monitoring information in the Management of Information Technology Security standards approved by the Treasury Board Secretariat.

Service Canada developed a framework for conducting risk analysis and integrity reviews for new services and has been applying the same framework to core programs. This framework helped identify risks and develop mitigation strategies for all services introduced in 2007–2008. Risk analyses and audit readiness studies were performed on core program initiatives such as Employment Insurance Simplification, Canada Pension Plan Modernization, and Old Age Security Quality Assurance. The management tools were tested in 2007–2008 and improved versions integrated into the lifecycle of offerings.

To guide risk assessments and support monitoring strategies as well as clarify roles and responsibilities, Service Canada drafted the Operational Risk Management Policy and framework. Service Canada tested a proof of concept for enhanced data analysis capability, applying it to prioritize Employment Insurance claims investigation. Reviews undertaken of both Old Age Security and Canada Pension Plan programs demonstrated that payment is highly accurate.

Service Canada also initiated a proof of concept to improve data analysis and detect, investigate and prevent abuse of Social Insurance Numbers. The organization implemented the Social Insurance Number Quality Management Strategy to provide rigorous systematic controls to guide each step of Social Insurance Number issuance.

### Generating Program and Operational Savings

Service Canada continued to achieve program savings targets through a range of program integrity strategies and through effective proactive and preventative interventions to ensure that payments were issued to eligible individuals. The organization was on target to achieve its 2007–2008 program savings objective. A national team of investigators equipped with risk models and fraud detection tools identified files in error for both over- and underpayment and ensured their correction. Service Canada conducted a total of 772,357 identity, fraud and benefit payment investigations related to the Canada Pension Plan, Old Age Security, Social Insurance Number and Employment Insurance in 2007–2008. This number included increased investigations to detect individuals who did not report earnings or absences from Canada while receiving Employment Insurance benefits. This resulted in savings exceeding $733 million.

To provide secure online access to these programs, client identity was validated against the Social Insurance Register, amounting to more than 13.7 million authentication transactions.

In 2007, Service Canada evaluated the integrity of the Social Insurance Register. The accuracy rate for legitimate Social Insurance Numbers appropriately issued to the right person is approximately 99.9%. The accuracy rate of the Social Insurance Register's vital events data for dates of birth and death is approximately 97.3%. Service Canada will continue to

maintain these high rates of accuracy through increased rigour in the Social Insurance Number issuance process and the phased implementation of vital events information-sharing agreements with the provinces.

## Achieving Client Information Integration

### Achieving Processing Automation

Service Canada continued working towards the automation of key program processing where there is high volume (e.g. Employment Insurance, Canada Pension Plan and Old Age Security programs) in order to achieve internal operational efficiencies and improved effectiveness. A common process to increase efficiency as it continued the process of integrating delivery of Canada Pension Plan, Old Age Security and Employment Insurance programs.

There was good progress in automating Employment Insurance program processing. For instance 36.1% of Record of Employment was received electronically from some 76,000 registered businesses. This was almost 24,000 more employers than a year earlier, well ahead of the target of 19,400 new employers on ROE Web. Note that the Record of Employment Web also increases efficiencies for employers and reduces their paper burden.

Receiving the Record of Employment electronically is essential in order to automate the calculation of claims. During the year, 97.9% of EI initial applications were received on-line. Automated claims processing was used for 411,000 initial claims for Employment Insurance benefits exceeding the target of 20% and for 227,000 applications to renew existing Employment Insurance claims exceeding the 50% target.

The increased automation of processing helped Service Canada staff in the regions to balance workloads across the country during the winter peak period. This resulted in improved service to Canadians.

It is recognized that automation of the processes used to administer benefit programs improves program integrity. Automation eliminates the errors that arise in manual processing such as data not correctly entered and it prevents delays that arise when documents have to await manual data entry.

Expeditious delivery of payments for Canada Pension Plan retirement benefits, Old Age Security basic benefits, Employment Insurance benefits, and Apprenticeship Incentive Grants, have consistently met or exceeded their respective targets. Service Canada achieved a 94.4% accuracy rate for Employment Insurance payments, just short of its 95% national target and a 97.7% accuracy rate for Old Age Security payments.

A silver medal for Service Delivery to Citizens and Businesses was awarded at the Government Technology Exhibition and Conference to Service Canada's Employment Insurance Automated Claims Processing. Service Canada will modernize the Canada Pension Plan benefit processing network and platform by adopting a similar simplification, standardization and automation approach to that used for Employment Insurance.

Service Canada remained committed to automating processes across the country. A national, integrated, service delivery network, characterized by generic processes, intranet-based applications and services, and the automated adjudication of applications, is being developed over the next several years. The end result will be a harmonized, paperless service that is more accurate, timely, efficient, equitable, cost-effective and reliable.

## Achievements Against Priorities

### Integrity

| Plan | 2007–2008 Achievements |
|---|---|
| **Priority:** Strengthening accountability and transparency | |
| Establishing enterprise integrity | Compliance with the Treasury Board Secretariat's Management of Information Technology Security standards<br>Framework in place for the conduct of a risk analysis and integrity review for new service offerings<br>Risk analysis and audit readiness studies performed on Employment Insurance Simplification, Canadian Pension Plan Modernization and Old Age Security Quality Assurance<br>Operational Risk Management Policy and framework drafted<br>Social Insurance Number Quality Management Strategy implemented to provide rigorous systematic controls to guide each step of Social Insurance Number issuance<br>Enterprise-wide quality measurement framework tested and prepared for implementation to harmonize quality indicators across activities |
| Generating program and operational savings | 772,357 identity, fraud and benefit payment investigations relating to the Old Age Security, Canada Pension Plan, Employment Insurance and Social Insurance Number programs<br>Program savings of $342.9 million<br>Client identity validated against the Social Insurance Register in more than 13.7 million authentication transactions<br>99.9% accuracy rate for Social Insurance Numbers in the Social Insurance Register<br>97.3% accuracy of the Social Insurance Register's vital events data |

| Plan | 2007–2008 Achievements |
|---|---|
| **Priority:** Achieving client information integration | |
| Achieving processing automation | Employment Insurance Automated Claims Processing won silver medal at Government in Technology Week. Record of Employment website nominated for Government in Technology award.<br><br>Continued mapping of generic processes to harmonize foundational programs<br><br>Targets consistently met or exceeded for timely payments for Apprenticeship Incentive Grants, Canada Pension Plan retirement benefits, Old Age Security basic benefits and Employment Insurance benefits<br><br>Automated processing of 23% of Employment Insurance initial claims and 52.4% of renewals<br><br>94.4% accuracy on Employment Insurance payments, just short of the 95% target and 97.7 accuracy rate for Old Age Security payments |

Program Activity—

# Collaborative, Networked Government Service

By broadening and strengthening its partnerships with other federal departments and agencies, as well as other orders of government, Service Canada continued to transform the way Canadians gain access to government services. Service Canada ensured quality service excellence through nationally consistent Web and in-person networks. It also began to work towards becoming a sustainable operation. The work of this program activity took place under two priorities, Transforming Services to Canadians and Achieving Client Information Integration.

## Transforming services to Canadians

Under the current program activity, the goal is to describe how we are building our capacity as the Government of Canada network of choice through the building of strategic partnerships.

### Building our Capacity as the Government of Canada Network of choice

The delivery of "My Service Canada Account" eliminated the need for separate online accounts for clients to access key Service Canada products and services, reducing duplication and improving client service delivery. Client service capacity was further increased through enhancements of the "Read to Me" feature for visually and mobility impaired users of the Service Canada Web site. The extent to which Canadians are turning to Service Canada for information and assistance was evident in an increase by more than four million visits to the Service Canada Web site compared to the previous year.

In addition, to provide secure online access to Employment Insurance, Canada Pension Plan and Old Age Security services, Service Canada validated the identity of clients against the Social Insurance Register through over 13.7 million authentication transactions.

### Building Strategic Partnerships

Service Canada has developed an overall partnership strategy and framework for the acquisition and management of new partnerships in an efficient and effective manner. Tools and processes are being developed to assess new partnership opportunities and assist in partnership implementation and maintenance. Stronger partnerships developed with other federal government departments and agencies, as well as other orders of government allowed Service Canada to expand the array of benefits and services it provides to Canadians. The number of partnerships is tracked through the Service Canada corporate scorecard and Corporate Risk Management Strategy.

Service Canada worked with the Privy Council Office to develop a framework for publishing information in multiple languages on the Service Canada website. The target of four multi-language fact sheets for development in 2007–2008 was met, making relevant information available on a total of 11 fact sheets to newcomers to Canada in 12 foreign languages and to Aboriginal Canadians in eight Aboriginal languages. Service Canada has heightened its communications with the regions to ensure that multi-language services are provided to those clients unable to speak sufficient English or French.

Service Canada maintained and expanded partnerships with federal departments and agencies, including seven new partnerships with Citizenship and Immigration Canada, the Department of Fisheries and Oceans, Transport Canada, Passport Canada, Health Canada, the Department of National Defence and the Labour Program of Human Resources and Social Development Canada. Service Canada signed off on seven new Memoranda of Understanding with other departments to meet service needs, exceeding the national target of four. Service Canada also signed Memoranda of Agreement for service delivery collaboration with Ontario and British Columbia.

Service Canada worked with Human Resources and Social Development Canada to improve processes for delivering the Temporary Foreign Workers Program, including new options for governance and two service efficiency initiatives: the opening of a Centre of Specialization for processing and a new call centre stream for live-in caregivers. The partnership with the Department of Fisheries and Oceans on the Ice

Compensation Program was particularly successful. This program later served as a model arrangement for partnering with other departments.

As well, announcements and activities were undertaken in collaboration with parliamentarians and other federal partners to demonstrate government investments at the community level through Service Canada. Service Canada contributed to Advantage Canada: Building a Strong Economy for Canadians, a long-term, national economic plan to make Canada a true world economic leader by reducing regulations and paper burden. Service Canada contributed by developing the Record of Employment website, through which Canadian companies can submit data via the Internet.

Service Canada worked with the Voluntary Sector Advisory Committee to support efforts to cluster services around client groups, to streamline the administration of programs and to establish the Office of the Fairness Advisor. This work was cited as a "best practice" by the Independent Blue Ribbon Panel on Grants and Contributions.

## Achieving Client Information Integration

Canadians would prefer to be able to provide their information once to the federal government and have this information available to different programs. Service Canada, in accordance with its citizen-centred approach, is creating a single, integrated set of information on individual clients that can be drawn on when they apply for various benefits or services. Achieving Processing Automation, reported earlier, is part of this initiative. The other elements to this priority are establishing a One-Client View for Citizen-Centred Service and of Transforming Vital Events Management.

### Establishing a One-Client View for Citizen-Centred Service

In 2007–2008 Service Canada advanced development of the "One Client View" concept initiated the previous year and made significant gains in automation, data integration and service delivery harmonization. Service Canada made strides toward a single system for collecting, using and integrating information provided by Canadians. The system addressed many of the challenges posed by different databases and systems for individual programs and services already in place.

Since the introduction of "My Service Canada Account" on its website in 2006–2007, many Canadians have used the site to access the Employment Insurance, Canada Pension Plan, and Old Age Security programs. By going online and providing their personal information only once, Canadians have efficiently carried out a large number of transactions to obtain benefits for which they were eligible.

Service Canada's implementation of "My Service Canada Account" demonstrated the organization's continuing capacity to integrate client information securely, while at the same time providing Canadians access to a world class collaborative network.

### Transforming Vital Events Management

Vital events management improvement was facilitated through arrangements that permit the authentication and validation of personal identity with the provinces. Service Canada implemented the Integrated Newborn Birth Registration Service with British Columbia and maintained ongoing death notification with both British Columbia and Alberta. Receipt of historical and ongoing death data was on track with these provinces as of March 31, 2008. Service Canada signed vital events agreements with Ontario, British Columbia and Alberta. Service Canada also signed an agreement with Citizenship and Immigration Canada for the validation of citizenship data for Social Insurance Number issuance.

## Achievements Against Priorities

### Collaborative, Networked Government Service

| Plan | 2007–2008 Achievements |
|---|---|
| **Priority:** Transforming service to Canadians | |
| Building the capacity of Service Canada as the Government of Canada network of choice | "My Service Canada Account" implementation eliminated the need for separate online accounts for clients to access key Service Canada products and services<br>"Read to Me" feature enhanced for visually and mobility impaired users of the Service Canada website<br>Visits to Service Canada's website increased from 22,364,000 in 2006–2007 to 26,620,000 in 2007 2008, an increase of 16%<br>33 new points of service added for total of 620, exceeding target of 605<br>95.4% of Canadians live within 50 kilometres of a Service Canada point of service, exceeding the target of 90%<br>Over 8 million in-person visits required assistance from a client service agent<br>Approximately 1 million visitors served themselves by using the Internet workstations |
| Building strategic partnerships | Seven new Memoranda of Understanding signed with Citizenship and Immigration Canada, the Department of Fisheries and Oceans, Transport Canada, Passport Canada, Health Canada, the Department of National Defence and the Department's Labour Program<br>In partnership with Privy Council Office, developed four multi-language fact sheets in 12 foreign languages and eight Aboriginal languages, for a total of 11 multi-language fact sheets<br>Service for Human Resources and Social Development Canada's Temporary Foreign Workers Program enhanced with the opening of a new Centre of Specialization for processing and a new call centre for a live-in caregiver stream<br>Record of Employment website contributes to *Advantage Canada: Building a Strong Economy for Canadians*, a long-term, national economic plan to reduce regulations and paper burden for Canadian companies<br>Consultations with Voluntary Sector Advisory Committee to support efforts to cluster services around client groups |

| Plan | 2007–2008 Achievements |
|---|---|
| **Priority:** Achieving client information integration | |
| Establishing a "one client view" for citizen-centred service. | Canadians accessed key personal information from their "My Service Canada Account" to more easily apply for Employment Insurance, Canada Pension Plan and Old Age Security programs |
| Transforming vital events management | Agreement signed with Citizenship and Immigration Canada for the validation of citizenship data for SIN issuance<br>Integrated Newborn Birth Registration Service implemented with British Columbia<br>Vital events agreements signed with Ontario, British Columbia and Alberta |

Corporate Focus

# Strengthening Management and Financial Accountability

## Sustainable Development Commitments

### Purchase Energy Efficient Equipment and Lighting, Hybrid and Alternative Fuel Vehicles

Based on commitments outlined in the Sustainable Development Strategy, Service Canada has made progress to develop a framework to purchase energy efficient equipment and lighting in offices and Service Canada Centres across the country, and to optimize the Service Canada fleet of vehicles for fuel efficiency. The fleet inventory for 2007–2008 was 323 vehicles. Of these vehicles, one uses propane fuel, 19 are hybrid vehicles, 39 use Ethanol 85 Flex Fuel, one uses Natural Gas, 230 use regular gas and three use diesel fuel.

### Use Recycled Materials where Feasible

Where opportunities exist, recycled materials are used. This includes items such as paper, printer cartridges and furniture for both offices and Service Canada Centres. As part of the Chief Financial Officer Branch Procurement Transformation, a review of standard business equipment and furniture is underway to identify those commodities that have a sustainable development impact. Once the review is complete, targets and measures will be identified and form part of Service Canada's ongoing Sustainable Development reporting.

### New Energy Efficient Building

The Jean Canfield building in Charlottetown Prince Edward Island is an example of the latest of the Government of Canada's energy efficient and environmentally friendly buildings and is a model for sustainable development. Estimates of energy use indicate that this building, which opened in December 2007, is approximately 57% more energy-efficient than other national energy-efficient buildings. By using recycled and renewable material to construct the building, 75% less construction waste ended up in landfill sites. The building uses "green" power from provincial wind turbines; water consumption is reduced; and natural light is used and occupancy sensors activate lighting to ensure that energy is used efficiently. Two other energy-conscious buildings use similar strategies: the Alvin Hamilton Building in Regina, which houses Service Canada College's western learning centre, and the Greenstone Government of Canada building in Yellowknife, which is the location of the first Service Canada office in the northern territories.

### Manage Waste from Electronic Equipment

Service Canada's Ontario Region is diverting large amounts of the lead, arsenic and cadmium in its discarded computers and televisions from landfill sites. Old computers and other technical equipment are being sent to Computers for Schools, a program that was co-founded by Industry Canada, and the Telecom Pioneers. Computers for Schools takes antiquated electronic equipment, refurbishes it and distributes it to schools, libraries and registered not-for-profit learning organizations. The program increases school and not-for-profit access to technology, enhances youth skills development and diverts toxic waste from landfills. Equipment that cannot be refurbished is taken to a depot where components are separated and reused in other areas. The plastics and metals are recycled and components that cannot be reused are disposed of in a manner that has a minimal impact on the environment. In December 2007, Service Canada was awarded Renewed Computer Technology's top Environmental Partner certificate for its commitment to sound e-waste management.

### Reduce Energy and Paper Use through Service Process Automation

Service Canada's automation of the Employment Insurance process has resulted in simpler application processes for clients and a reduction in the use of

paper. Building upon this success, Service Canada has begun to modernize its Canada Pension Plan processes, with the goal of reducing the number of paper-based applications. Service Canada has developed plans to support the implementation of the Processing Automation Initiative, developing templates, creating timelines, setting performance expectations and targets, and reviewing ways in which program delivery requirements can be simplified. Service Canada undertook a review of workflows in order to modify how documents are treated and handled, and created new processes and procedures for transmittal of documents.

### Bring together Common Support Functions to Enhance the Efficiency and Cost-Effectiveness of these Services

In November 2007, the Portfolio Senior Management Board was created to contribute to the strategy of bringing together common support function to enhance efficiency and cost-effectiveness of these functions. The Portfolio Senior Management Board is a decision-making body that provides strategic oversight and direction for management issues that affect Human Resources and Social Development Canada, Service Canada, and the Labour Program in order to create a coherent and consistent approach across the three business lines activities. In 2007–2008, the Board focused on three corporate services – human resources, finance and administration and information management/ information technology.

The resulting new Human Resources Services Branch is mandated to provide integrated human resources services to the entire organization. As for finance and administration, the position of Chief Financial Officer has been created to strengthen the financial management functions and stewardship of departmental resources.

The Portfolio Senior Management Board continued to examine corporate services in 2007–2008, to determine how these can best be put to use to serve the needs of management and staff across the entire organization. These new developments built on the significant progress already achieved since the start of the year.

## Evaluations and Audits

Several audits were conducted within Service Canada in 2007–2008. They are described below.

### Service Canada Internal Audits

The Internal Audit Branch at Service Canada reports on the risk management, control and governance processes employed at Service Canada, and operates within the International Standards for the Professional Practice of Internal Audit.[15]

### Record of Employment Web

The objective of this audit was to provide assurance to Service Canada senior management that the Record of Employment website was meeting its objectives of reducing error rates, better positioning Service Canada for electronic commerce with employers, simplifying the process across Service Canada, and minimizing the burden for employers in processing paper records of employment – all without compromising the quality of service to employers.

The audit concluded that the Record of Employment website is gaining acceptance and that its use by the employer community has increased steadily. Some improvements are needed to realize its full potential for electronic commerce with employers.[16]

### Management of Information Technology Security Standards

The objective of this audit was to review Service Canada's compliance with each mandatory Management of Information Technology Security standard and to provide an opinion on its state of implementation.

In response to a request by the Treasury Board Secretariat for a self-assessment, Service Canada reported its compliance with 32 of 52 MITS standards in January 2007. The audit noted that while MITS standards are the same for each federal government organization, the effort required for implementation is more difficult for an organization such as Service Canada because of its numerous service delivery channels providing multiple services to many different clients and partners.

[15] **http://www.theiia.org/guidance/standards-and-practices/professional-practices-framework/**
[16] **http://1.servicecanada.gc.ca/en/cs/fas/iarms/servcan/e019.shtml**

The audit concluded that Service Canada has successfully enhanced or implemented many security controls and demonstrated its commitment to complying with MITS and safeguarding confidential client information.[17]

### Compensation and Benefits

The objective of this audit was to assess the administration and appropriateness of the compensation and benefits activities of Service Canada. While Service Canada has implemented a compensation and benefits infrastructure in all its regions, certain anomalies were noted such as he lack of national consistency in applying functional direction.

Most transactions audited had been processed for the correct amount and in accordance with relevant collective agreements, guidelines and policies. Roles and responsibilities were well defined, and resources and tools were deemed adequate. Furthermore, compensation and benefits advisors generally viewed their training positively.

However some inconsistencies among regions were observed. It was not clear whether guidelines have been consistently applied. The audit also concluded that Service Canada needs to remain vigilant in ensuring that staff compensation and benefits files, and the personal information they contain, are secure and accessible only to those who need to know.[18]

### Grants and Contributions Segregation of Duties

The objective of this audit was to determine if the Segregation of Duties Directive is an effective and efficient control and has been implemented in the delivery of Grants and Contributions programs and services at national headquarters and in selected regions. Segregation of duties means having more than one person required to complete a task or a function.

The Internal Audit Branch was satisfied with the segregation of duties, but found that the interpretation of the directive needed to be clarified. The Segregation of Duties Directive on the delivery of programs and services was judged an effective policy but additional tools are required to ensure greater compliance.[19]

### Follow-up Audit: Employment Insurance Segregation of Duties

The audit concluded that the Operations Branch has made substantial progress in moving away from the universal agent concept to implement segregation of duties and other management controls, such as monitoring and providing information for staff. However, control weaknesses remained with respect to segregation of duties, monitoring and access only to appropriate information in Employment Insurance claim processing. The Internal Audit Branch requested that its findings be addressed to assure clients and the public of cost-effective due diligence.[20]

## Evaluations and Management Reviews

Three evaluations and a management review were conducted in 2007–2008.

### Evaluation of the SIN Segregation of Duties Pilot

The primary objective of the Social Insurance Number Quality Management Strategy is to ensure that proper quality controls and monitoring mechanisms are in place for the Social Insurance Number issuance and approval process. The strategy included two models, which were piloted in the Ontario Region:

- The Broad Social Insurance Number Quality Management Strategy, which includes training, certification, random sampling, and a pop-up screen feature; and
- SIN Segregation of Duties.

The Broad Social Insurance Number Quality Strategy model was piloted in twenty-one Service Canada Centres across Ontario, three of which were located in the Toronto area (Toronto Centre, Toronto North, and Brampton). The SIN Segregation of Duties model was piloted only at the Scarborough Service Canada Centre.

[17] **http://http://www1.servicecanada.gc.ca/en/cs/fas/iarms/servcan/e008.shtml**
[18] **http://www1.servicecanada.gc.ca/en/cs/fas/iarms/servcan/e015.shtml**
[19] **http:// http://www1.servicecanada.gc.ca/en/cs/fas/iarms/servcan/e004.shtml**
[20] **http:// http://www1.servicecanada.gc.ca/en/cs/fas/iarms/servcan/e013.shtml**

The objective of the evaluation was to examine and assess the effectiveness of the Segregation of Duties pilot. The Segregation of Duties model was examined in the context of the quality management strategy and in comparison with the Broad Social Insurance Number Quality Management Strategy model. Specifically, the evaluation looked at issues related to the design and implementation, costs and, error and risk mitigation. The evaluation relied primarily on the results of a literature review and key informant interviews.

The evaluation found that both the Social Insurance Number Segregation of Duties and Broad SIN QM Strategy pilots were successfully implemented. Management and staff understood the importance of protecting the integrity of the SIN and appreciate the need for controls.

## Evaluation of the Multi-language Service Initiative

The Multi-language Service Initiative was launched in 2006 to meet Service Canada's commitment to reach more Canadians in more communities. The initiative was evaluated in 2007–2008, revealing that there is still much to learn about the provision of multi-language services to Aboriginal people and newcomers to Canada.

The evaluation confirmed that Service Canada's Multi-language Service Initiative "employs known, good practices" in its approach to service delivery, and that the client surveys demonstrated high satisfaction among Aboriginal peoples and very high satisfaction among newcomers regarding the extent to which the Multi-language Service Initiative satisfies their needs. The evaluation notes that services are sometimes delivered to clients who speak one of Canada's official languages, but whose basic knowledge of French or English "may be insufficient" to ensure an accurate interaction. As well, service provided in a client's preferred language facilitates trust, comfort and acceptance of the service delivery process. Service Canada has stepped up its communications with regional management and staff regarding the promotion of multi-language services to those clients who are unable to speak sufficient English or French or who prefer, for cultural reasons, to be served in their native language.

To satisfy the need to enhance communications and staff training on multi-language service requirements, fact sheets in Aboriginal and foreign languages have been posted on the Service Canada Internet site for staff, the targeted audiences and community partners.

To improve performance indicators, Service Canada will develop a Performance Measurement Strategy for multi-language services, including revisions to the logic model, and align it with the Performance Measurement Strategy for the Newcomers to Canada and Aboriginal Client Segments.

## Evaluation of Pleasure Craft Licensing

Service Canada's Evaluation Division conducted an evaluation and cost-effectiveness analysis of pleasure craft licensing to support decision-making for refinements and improvements in service delivery and resourcing for the program. The evaluation report identified lessons learned that could be applied to the design and implementation of future service delivery initiatives.

## Management Review of the Ice Compensation Program

The Ice Compensation Program was designed to provide financial assistance to approximately 5,100 fishers in northern Newfoundland and Labrador and north-eastern Quebec who were prevented or delayed from fishing because of worse than normal ice conditions from mid May to early July 2007. A management review was undertaken by Service Canada's Evaluation Division to document the challenges, best practices, and lessons from the Ice Compensation Program to inform future service delivery decisions.

The management review concluded that Service Canada and the Department of Fisheries and Oceans collaborated effectively and provided adequate assistance to the affected fishers.

# Lessons Learned

## Management of Service Delivery

The audit of the Record of Employment website showed that enhancements improved the ability of employers to reliably transfer their bulk files. As reported by management, "this feature has not only improved the speed of issuance, but it also provides employers with a report on the status of each bulk file," a significant benefit to Canadian employers and employees. The audit showed that Service Canada could achieve several strategic outcomes simultaneously. The enhancements to the Record of Employment website addressed Service Canada's strategic integrity program activity by reducing error rates, while at the same time contributing to the goal of seamless, citizen-centred service by enhancing service delivery for both employers and employees.

## Achieving Greater Integrity

The findings of the evaluation of the Social Insurance Number Segregation of Duties pilot contributed directly to increasing program integrity. Through Social Insurance Number QM pilots and evaluations, Service Canada has implemented random, systematically generated controls that ensure requests for SIN applications are legitimate. These controls, in turn, contribute to greater accuracy for the Social Insurance Register and integrity for the Social Insurance Number issuance process.

The audit of Service Canada Compensation and Benefits underlines the importance of continuing vigilance on the part of Service Canada staff to ensure the confidentiality of files and the protection of the personal information of clients. Electronic processes are insufficient to protect clients from breaches to the integrity of their information and staff must also be vigilant in overseeing processes that involve the personal information of clients.

## The Need for Tools to Implement Policy

The Internal Audit Branch concluded in its audit of grants and contributions programs that the Segregation of Duties Directive on the delivery of programs and services provides a clear policy, but that policy on its own is not sufficient. Additional tools are required to ensure greater compliance with even the clearest of policies, a lesson that can be applied to other Service Canada programs and delivery mechanisms.

## Improving Service Delivery through Effective Policy

As a result of the evaluation of the Multi-language Service Initiative, management supported the recommendation on the Multi-language Service Initiative that "fundamental to best practice is the development of a Multi-language Service policy." The Service Canada Multi-language Service Initiative evaluation report cited the European Union's evaluation of its Multi-Lingual Information Society Programme, published in 2000. The European Union recognized that the success of "further interventions in the field of the multilingual information society" would be enhanced "if there was a comprehensive European Union language policy that could provide a framework for all relevant interventions.

## Improved Collaboration with Government Departments

The Ice Compensation Program worked well due to an effective partnership between Service Canada and the Department of Fisheries and Oceans. Program success was attributed to clearly defined roles and responsibilities, and the professionalism and perspicacity shown by program personnel. Key informants from the Department of Fisheries and Oceans emphasized that the early groundwork by Service Canada in anticipation of the program's announcement was key to its rapid design and implementation.

These results suggest that Service Canada is well positioned for future partnerships as long as key elements are addressed. These elements include defining clear responsibilities between collaborating departments and agencies; an appropriate degree of professionalism; and timely initiative and program design and implementation.

## Financial and Human Resources 2007–2008

### Service Canada

| (millions of dollars) | PLANNED SPENDING | AUTHORITIES | ACTUAL |
|---|---|---|---|
| **FINANCIAL RESOURCES (GROSS)** | | | |
| Seamless, Citizen-Centred Service | 2,479.6 | 2,597.2 | 2,581.6 |
| Integrity | 1,029.6 | 907.3 | 903.9 |
| Collaborative, Networked Government Service | 228.4 | 229.9 | 228.4 |
| **Total Financial Resources (Gross)** | **3,737.6** | **3,734.4** | **3,713.9** |
| **HUMAN RESOURCES (FULL TIME EQUIVALENTS)** | | | |
| Seamless, Citizen-Centred Service | 7,045 | 6,812 | 6,812 |
| Integrity | 11,302 | 10,927 | 10,927 |
| Collaborative, Networked Government Service | 757 | 637 | 637 |
| **Total Human Resources (Full Time Equivalents)** | **19,104** | **18,376** | **18,376** |

## Details by Programs and Services 2007–2008

### Service Canada

| Financial Resources (millions of dollars) | Planned Spending | Authorities | Actual |
|---|---|---|---|
| **Seamless, Citizen-Centred Service** | | | |
| Service Strategies and Policy | 5.3 | 15.3 | 15.2 |
| Client Service Offerings | 22.6 | 26.2 | 26.0 |
| Service Delivery[a] | 2,254.4 | 2,379.4 | 2,376.7 |
| Allocated Corporate Services[b] | 197.3 | 176.3 | 163.7 |
| **Sub-Total[a]** | **2,479.6** | **2,597.2** | **2,581.6** |
| **Integrity** | | | |
| Identity Management | 10.9 | 13.2 | 13.1 |
| Risk Management | 105.0 | 109.4 | 109.1 |
| Processing | 555.9 | 486.2 | 484.8 |
| Allocated Corporate Services[b] | 357.8 | 298.4 | 296.8 |
| Statutory Payment - Energy Cost Benefits | - | 0.1 | 0.1 |
| **Sub-Total** | **1,029.6** | **907.3** | **903.9** |
| **Collaborative, Networked Government Service** | | | |
| Partnerships | 148.1 | 150.3 | 149.3 |
| Information and Knowledge Management | 1.0 | 13.5 | 13.3 |
| Allocated Corporate Services[b] | 79.3 | 66.1 | 65.8 |
| **Sub-Total** | **228.4** | **229.9** | **228.4** |
| **Total[a]** | **3,737.6** | **3,734.4** | **3,713.9** |
| **Human Resources (Full Time Equivalents)** | | | |
| Seamless, Citizen-Centred Service | 7,045 | 6,812 | 6,812 |
| Integrity | 11,302 | 10,927 | 10,927 |
| Collaborative, Networked Government Service | 757 | 637 | 637 |
| **Total - Full Time Equivalents** | **19,104** | **18,376** | **18,376** |

[a] This amount includes Common Experience Payments to former Indian residential school students ($1,900M in planned spending, $1,817.4M in authorities and actual.)

[b] Corporate Services resources related to the Deputy Head's Office, the Chief Financial Officer's Office, the Internal Audit Services, Policy, Partnerships and Corporate Affairs and the shared services have been prorated to each program activity.

## DPR Expenditure Profile 2007–2008

### Service Canada

**(in millions of dollars)**

| | PLANNED SPENDING | AUTHORITIES | ACTUAL |
|---|---|---|---|
| **Budgetary** | | | |
| Operating Costs (Vote 1)[a] | 2,384.0 | 2,424.0 | 2,413.1 |
| Delivery Cost related to: | | | |
| ° Employment Insurance Account | 1,162.0 | 1,100.8 | 1,095.3 |
| ° Canada Pension Plan | 191.6 | 204.5 | 202.4 |
| ° Other Government Departments | - | 5.0 | 3.0 |
| Sub-total | 1,353.6 | 1,310.3 | 1,300.7 |
| **Gross Operating Costs[b]** | **3,737.6** | **3,734.3** | **3,713.8** |
| **Delivered on behalf of Human Resources and Social Development Canada[c]** | | | |
| **Voted Grants and Contributions (Vote 5)** | **663.3** | **726.3** | **624.5** |
| Statutory Payments: | | | |
| ° Old Age Security | 24,093.0 | 24,029.8 | 24,029.8 |
| ° Guaranteed Income Supplement | 7,413.0 | 7,406.7 | 7,406.7 |
| ° Allowance Payments | 553.0 | 518.2 | 518.2 |
| ° Energy Cost Benefits | - | 0.1 | 0.1 |
| Sub-total Statutory Payments | 32,059.0 | 31,954.8 | 31,954.8 |
| Canada Pension Plan benefits | 27,478.9 | 27,536.9 | 27,536.9 |
| Employment Insurance benefits | | | |
| • Part I | 12,641.0 | 12,260.0 | 12,197.2 |
| • Part II | 2,053.1 | 2,062.1 | 2,051.0 |
| Sub-total Employment Insurance benefits | 14,694.1 | 14,322.1 | 14,248.2 |
| **Total Statutory Transfer Payments** | **74,232.0** | **73,813.8** | **73,739.9** |
| **Total Delivered on behalf of HRSDC[d]** | **74,895.3** | **74,540.1** | **74,364.4** |
| **Consolidated Total** | **78,632.9** | **78,274.4** | **78,078.2** |

[a] This amount includes Common Experience Payments to former Indian Residential Schools ($1,900.0M in planned spending and $1,817.4M in authorities and actual.)

[b] This amount includes statutory items for employee benefit plans, spending of proceeds from disposal of Crown assets and refunds of previous years revenue.

[c] The financial strategy for Service Canada establishes that statutory funds, including Employment Insurance, Canada Pension Plan, Old Age Security statutory payments and Voted Grants and Contributions related to the delivery of specified programs, will be allocated annually by HRSDC.

[d] This amount directly benefits Canadians and is delivered on behalf of HRSDC.

# Section III

## Supplementary Information

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# Financial Performance Overview Human Resources and Social Development Canada

In 2007–2008, the department was authorized to spend $84,867.4 million or $167.0 million more than the consolidated planned spending of $84,700.4 million. The variance is explained by:

- An increase of $243.8 million in loans disbursed under the *Canada Student Financial Assistance Act* is mainly due to the actual gross amount of repayments being lower than anticipated as a result of a decrease in defaulted loans. In addition, the loans disbursed where slightly over the projection;
- An increase of $80.5 million in grants and contributions mostly related to:
  - An increase of $44.3 million related to new funding for Canada Summer Jobs 2007 under the Youth Employment Strategy to provide students with skills and work experiences to help them make an effective transition to the labour market;
  - An increase of $25.1 million for the re-profiling of funds from 2006–2007 to 2007–2008 for the Homelessness Partnering Strategy. This re-profile is necessary to honour federal/provincial commitments and publicly disclosed funding allocations to municipalities and community groups;
  - An increase of $10.0 million in new funding for Enabling Accessibility Fund to support community-based projects across Canada that improve accessibility and enable Canadians, regardless of physical ability, to participate in and contribute to their community and the economy;
  - An increase of $7.2 million for additional funding for Cree Regional Authority in respect of the Government of Canada's obligations under the James Bay and Northern Quebec Agreement relating to job placement, recruitment services and other training programs;
  - An increase of $6.9 million in new funding for the expansion of the New Horizons for Seniors Program announced in Budget 2007;
  - An increase of $4.4 million to expand and extend the Aboriginal Skills and Employment Partnership Program that provides training, skills development, and employment opportunities to Aboriginals;
  - Offset by decreases of:
    - $10.4 million due to the deferral in implementing activities of the Targeted Initiative for Older Workers program;
    - $3.0 million for a transfer to Public Works and Government Services for the Surplus Federal Real Property for the Homelessness Initiative;
    - $2.2 million for the Foreign Credential Recognition Program reprofiled to a future year to fully develop projects with stakeholders related to the launch of the Foreign Credentials Referral Office;
    - $1.7 million for the Sector Council Program reprofiled to future years due to delays in implementing the forestry sector council.
- An increase of $13.3 million in net operating expenditures mainly due to:
  - Operating budget Carry-forward from 2006–2007 ($27.8 million);
  - A transfer from Public Works and Government Services for accommodation costs, programs, and activities related to the Public Access Programs sector ($16.1 million);
  - Funding to help employees meet immediate skills shortages and strengthen the integrity of the work permit system through improvements in the Temporary Foreign Workers Program ($15.9 million);
  - Operating funds to support the Government Advertising Programs ($14.1 million);
  - Collective agreements increase ($14.0 million);
  - New funding for the implementation of the EcoAuto rebate program ($6.3 million) to encourage the purchase of more fuel efficient vehicles;
  - Other items ($4.9 million) such as funds for the expansion of the New Horizons for Seniors Program ($1.3 million), funding for the continued implementation of the *Public Service*

*Modernization Act* ($0.9 million), funds for Canada Summer Jobs ($0.7 million), and for Aboriginal Skills and Employment Program ($0.5 million);

- Offset by decreases for:
  - Reduced operating requirements as a result of advance payments previously made under the Indian Residential Schools Settlement Agreement ($82.6 million);
  - Planned spending for the Wage Earner Protection Program for which resources were not requested in 2007-2008 ($3.2 million).

- An increase of $7.1 million in Specified Purpose Accounts mainly due to an increase in Canada Pension Plan Costs offset by a decrease in Employment Insurance costs. The increase in CPP costs is mainly due to an increase in benefits and to the change in the presentation of CPP Investment Board administration costs. The decrease in EI costs is mostly attributable to a revised forecast of Part I benefits.
- An increase of $0.4 million in Vote 7 for the write-off of debts due to the Crown for unrecoverable student loans.
- Offset by a net decrease of $178.1 million in the statutory payment authorities attributable to:
  - A decrease of $104.3 million in Old Age Security benefit payments which include the Old Age Security pension, the Guaranteed Income Supplement and the Allowance. The decrease can be attributed to several factors. In particular, the average monthly rate of the Old Age Security pension for 2007–2008 was less than forecasted due to a greater proportion of partial pensions;
  - A decrease of $74.1 million in Payments related to the direct financing arrangement under the Canada Student *Financial Assistance Act*, mainly due to a decrease in the alternative payments payable to non-participating provinces, resulting from the fact that defaulted loans, which are a component of the calculation of those payments have dropped significantly. There was also a slight decrease in Service Provider Fees. The Program also saw an increase in the utilization of debt management measure Interest Relief and Debt Reduction in Repayment offset by a decrease in Loans forgiven;
  - A decrease of $28.7 million for Wage Earner Protection Program which was not implemented in 2007–2008;
  - A decrease of $27.2 million in Liabilities under the *Canada Student Loans Act* is due to the fact that actual spending is presented net of the recoveries on claims while the planned spending includes the forecast expenditure of claims payments;
  - A decrease of $19.5 million in payments of compensation to government employees and merchant seamen due to a Supreme Court decision on chronic pain in Nova Scotia which created additional recoveries in 2007–2008 from the various Crown Corporations and Other Government Departments;
  - A decrease of $16.6 million for the provision of funds for interest payments and liabilities in the form of Risk Shared loans under the *Canada Student Financial Assistance Act*. The variance is mainly due to lower than expected utilization of the debt management measure Debt Reduction in Repayment with respect to the risk-shared loan portfolio. Also, the actual spending is presented net of recoveries on Put-Backs while the planned spending includes the forecasted expenditure of Put-Backs;
  - Offset by increases of:
    - $39.7 million in Canada Education Savings Grants, mainly due to changes announced in the 2007 budget that increased the maximum annual contribution qualifying for the 20 percent basic CESG from $400 to $500 as well as the Department's efforts to publicize the program;
    - $25.4 million in Canada Study Grants, is the result of higher than expected take-up of the Canada Access Grant Program and an extraordinary payment to British Columbia regarding Canada Study Grant to correct an underpayment to the province;
    - $14.3 million for Universal Child Care Benefit due to a slight increase in the projected number of recipients and a slight increase in take up rates;
    - $10.8 million for Canada Learning Bond, mainly due to the Department's efforts to publicize the program to the Canada Learning Bond's target population;
    - $2.1 million related to other items such as contributions to employee benefit plans.

The actual consolidated expenditures of $84,504.4 million were $363.0 million lower than the total consolidated authorities of $84,867.4 million. This was mainly due to:

- Grants and contributions expenditures being $212.9 million less than the authorities for:
  - The Apprenticeship Incentive Grant ($60.1 million) due to the fact that 2007–2008 represented the first full year of program delivery and thus eligible applicants were becoming aware of the program and the application process. Key activities associated with the National Awareness Campaign were delayed by a few months impacting awareness and take-up of the grant. Estimates of eligible recipients are also under review;
  - The Homelessness Partnering Strategy ($44.9 million), this amount is to be re-profiled to 2008-2009 to ensure that funds will be available for proposals that are developed for activities to alleviate homelessness;
  - Targeted Initiative for Older Workers ($29.6 million) due to delays in Provincial and Territorial implementation, of which $24.3 million was reprofiled into 2008-2009;
  - Adult Learning, Literacy and Essential Skills Program ($22.2 million) due to the deferral of projects, of which $19.0 million was reprofiled into future fiscal years;
  - Youth Employment Strategy ($17.4 million) due to delays in implementation of Skills Link and Career Focus projects, as well as the inability of some employers funded under the Canada Summer Jobs to fill all the positions for which they were approved for funding and because some students left their jobs early;
  - Enabling Accessibility Fund ($10.0 million) due to a re-profile of funds into future years;
  - Workplace Skills Initiative ($8.1 million) due to the deferral of projects into next fiscal year, of which $4.9 million was reprofiled into future fiscal years;
  - Aboriginal Skills and Employment Partnerships ($3.8 million) due to delays in project proposal start dates, of which $3.0 million was reprofiled into future years;
  - Labour Market Agreements for Persons with Disabilities ($3.7 million) due to funds being kept in reserve for the Territories, who have not as yet participated in the program;
  - Social Development Partnerships Program ($3.0 million) due to re-profiles of funds to future years, administrative delays in issuing Call for Proposals, delayed start dates for new projects and lapsed funding by project recipients;
  - Education Savings Community Outreach ($2.4 million) mainly due to a reprofile to future years due to the transition of responsibility and repatriation of funding from the National Office of Learning and Literacy to Canada Education Savings Program in April 2007 and the drafting and approval of new Terms and Conditions.
  - Foreign Credential Recognition ($1.8 million) is due to the deferral of project activities into next fiscal year;
  - Sector Council Program ($1.6 million) is due to deferral of projects into next fiscal year;
  - Opportunities Fund for Persons with Disabilities ($1.4 million) due to the limited ability to engage in longer term planning and activities;
  - Labour Management Partnership Program ($1.2 million) due to a lower than projected number of approved projects;
  - Other lapses ($1.7 million).
- The actual expenditures were $119.3 million less than the authorities in the Specified Purpose Accounts. The variance is related to :
  - Employment Insurance (EI) Account ($141.7 million):
    - $62.8 million in Employment Insurance Part I; Employment Insurance benefits declined in 2007–2008 due to a decrease in the number of beneficiaries, consistent with lower unemployment;
    - $39.8 million in Employment Insurance Part II out of a total budget of $2.136 billion, due to delays in the implementation of projects and lower than expected expenditures by some projects;
    - $18.2 million in administrative costs, mainly due to a lapsed surplus of $27.3 million offset by $7.6 million related to higher than forecasted EI administrative costs recoveries from Canada Revenue Agency;
    - and by $20.9 million in doubtful accounts, mainly due to a decrease in the amount of write-offs in 2007–2008 compared to 2006–2007;
  - Offset by $22.4 million for the Canada Pension Plan Account due to administrative costs being higher that forecasted for the CPP Investment Board.

- A net operating lapse of $30.7 million related to $10.2 million in frozen resources and $20.5 million in general lapse. The frozen items are mainly attributable to a reprofiling of funds for Surveys to 2008-2009 ($6.3 million), a year-end conversion factor between salary and non-salary ($3.0 million).

## Canada's Performance

*Canada's Performance* is an annual report to Parliament on the federal government's contribution to Canada's performance as a nation, highlighting both strengths and areas for improvement. As a companion piece to the Departmental Performance Reports, the report provides an overview of how the performance of individual departments and agencies contributes to broader, government-wide outcomes in the following key policy areas: economic affairs, social affairs, international affairs, and government affairs.

These strategic outcomes developed by Human Resources and Social Development Canada contributed to the following government-wide outcomes as set out in *Canada's Performance 2007*

| Canada's Performance | |
|---|---|
| Government of Canada Outcome | |
| **Economic Affairs** | Income Security and Employment for Canadians<br>Strong Economic Growth<br>An Innovative and Knowledge-based Economy<br>A Fair and Secure Marketplace |
| **Social Affairs** | Healthy Canadians<br>Safe and Secure Communities<br>A Diverse Society that Promotes Linguistic Duality and Social Inclusion |
| **International Affairs** | A Prosperous Canada through Global Commerce |

For more information on Canada's Performance 2007, please visit:
**http://www.tbs-sct.gc.ca/reports-rapports/cp-rc/2006-2007/cp-rctb-eng.asp**

## Canada's Performance

## Department Link to the Government of Canada Outcomes

| | Actual Spending 2007-2008 (in millions of dollars) | | | Alignment to Government of Canada Outcome Area |
|---|---|---|---|---|
| | Budgetary | Non-budgetary | Total[c] | |
| **Strategic Outcome: Policies and programs that meet the human capital and social development needs of Canadians** | | | | |
| • Policy, Research and Communication | 199.3 | - | 199.3 | ✓ Income Security and employment for Canadians |
| **Strategic Outcome: Enhanced Canadian productivity and participation through efficient and inclusive labour markets, competitive workplaces and access to learning** | | | | |
| • Labour Market | 14,908.3 | - | 14,908.3 | ✓ Income Security and employment for Canadians |
| • Workplace Skills | 139.4 | - | 139.4 | ✓ An innovative and knowledge based economy |
| • Learning | 1,184.3 | 1,099.5 | 2,283.8 | ✓ An innovative and knowledge based economy |
| **Sub-Total** | **16,232.0** | **1,099.5** | **17,331.5** | |
| **Strategic Outcome: Safe, healthy, fair, stable, cooperative, productive workplaces and effective international labour standards** | | | | |
| • Labour | 239.3 | - | 239.3 | ✓ A Fair and Secure Marketplace |
| **Strategic Outcome: Enhanced income security, access to opportunities and well being for individuals, families and communities** | | | | |
| • Social Investment | 59,902.7 | - | 59,902.7 | ✓ Income Security and employment for Canadians |
| • Children and Families | 2,482.1 | - | 2,482.1 | ✓ Income Security and employment for Canadians |
| • Housing and Homelessness[a,b] | 116.6 | - | 116.6 | ✓ Strong Economic Growth |
| **Sub-Total** | **62,501.4** | **-** | **62,501.4** | |
| **Strategic Outcome: Achieve better outcomes for Canadians through service excellence (Service Canada)** | | | | |
| • Seamless, Citizen-Centred Service | 2,581.6 | - | 2,581.6 | ✓ Government affairs |
| • Integrity | 903.9 | - | 903.9 | ✓ Government affairs |
| • Collaborative, Networked Government Service | 228.4 | - | 228.4 | ✓ Government affairs |
| **Sub-Total** | **3,713.9** | **-** | **3,713.9** | |
| **TOTAL** | **82,885.9** | **1,099.5** | **83,985.4** | |

[a] A new program, the Homelessness Partnering Strategy, was announced in December 2006 and is funded for two years (2007-2008 and 2008-2009).

[b] Within the porfolio, Human Resources and Social Development Canada focuses on Homelessness and Canada Mortgage and Housing Corporation focuses on housing. The Program Activity Architecture has been updated for 2009-2010.

[c] Other costs of $519.0M such as Workers' Compensation and EI/CPP charges and recoveries are excluded from the Actual expenditures presented.

## Table 1 Comparison of Planned to Actual Spending (including FTEs)

| (millions of dollars) | 2005-2006 [d] Actual | 2006-2007 Actual [c] | 2007-2008 Main Estimates [a] | 2007-2008 Planned Spending | 2007-2008 Authorities | 2007-2008 Actual |
|---|---|---|---|---|---|---|
| **Program Activities** [b] | | | | | | |
| Policy, Research and Communication | n/a | 211.6 | 196.6 | 197.5 | 210.9 | 199.3 |
| Labour Market | n/a | 555.2 | 578.1 | 577.3 | 626.6 | 569.9 |
| Workplace Skills | n/a | 101.8 | 209.0 | 213.7 | 220.9 | 139.4 |
| Learning | n/a | 1,047.6 | 1,244.3 | 1,244.3 | 1,215.3 | 1,184.3 |
| Labour | n/a | 232.8 | 239.3 | 271.5 | 247.2 | 239.3 |
| Social Investment | n/a | 30,675.8 | 32,492.2 | 32,492.2 | 32,393.6 | 32,365.8 |
| Children and Families | n/a | 2,434.4 | 2,481.2 | 2,481.2 | 2,484.5 | 2,482.1 |
| Housing and Homelessness | n/a | 170.8 | 144.5 | 144.5 | 165.6 | 116.6 |
| Seamless, Citizen-Centred Service | n/a | 631.9 | 2,475.0 | 2,479.6 | 2,597.2 | 2,581.6 |
| Integrity | n/a | 908.6 | 1,028.8 | 1,029.6 | 907.3 | 903.9 |
| Collaborative, Networked Government Service | n/a | 266.6 | 228.2 | 228.4 | 229.9 | 228.4 |
| **Total Gross Expenditures** | 33,724.8 | 37,237.1 | 41,317.2 | 41,359.8 | 41,299.0 | 41,010.6 |
| Less: Respendable revenues | 1,695.6 | 1,639.0 | 1,711.9 | 1,711.2 | 1,734.3 | 1,689.6 |
| **Total Net Expenditures** | 32,029.2 | 35,598.1 | 39,605.3 | 39,648.6 | 39,564.7 | 39,321.0 |
| **Non-Budgetary** | | | | | | |
| Loans disbursed under the *Canada Student Financial Assistance Act* | 1,331.3 | 1,231.9 | 855.7 | 855.7 | 1,099.5 | 1,099.5 |
| **Total Department** | 33,360.5 | 36,830.0 | 40,461.0 | 40,504.3 | 40,664.2 | 40,420.5 |
| **Plus: Specified Purpose Accounts** | | | | | | |
| Employment Insurance | 16,050.3 | 15,814.6 | - | 16,423.6 | 16,204.9 | 16,063.2 |
| Canada Pension Plan | 25,439.2 | 26,689.2 | - | 27,881.1 | 28,113.3 | 28,135.7 |
| Other Specified Purpose Accounts | 51.4 | 48.6 | - | 45.3 | 45.2 | 45.2 |
| Departmental Employee Benefit Plan recoverable from Employment Insurance Account and Canada Pension Plan | (169.9) | (157.3) | - | (153.9) | (160.2) | (160.2) |
| **Consolidated Total HRSDC** | **74,731.5** | **79,225.1** | **40,461.0** | **84,700.4** | **84,867.4** | **84,504.4** |
| Less: Non-Respendable Revenues | 554.0 | 682.1 | - | 675.9 | 781.0 | 781.0 |
| Plus: Cost of services received without charge | 32.5 | 34.7 | - | 34.5 | 35.8 | 35.8 |
| **Net cost of HRSDC** | 74,210.0 | 78,577.7 | 40,461.0 | 84,059.0 | 84,122.2 | 83,759.2 |
| Full Time Equivalents | 23,726 | 23,102 | 23,309 | 23,437 | 23,168 | 23,168 |

[a] As published in Main Estimates 2007–2008.

[b] Amounts include resources for Corporate Services prorated to each program activity.

[c] 2006–2007 Actuals have been restated to be comparable to the new Program Activity Architecture (PAA) approved.

[d] Due to the numerous organizational changes that have occurred since 2005–2006, the financial information from 2005–2006 cannot be presented on the basis of the 2007-2008 program activities included in this report. For historical information on actual expenditures for 2005–2006, please visit **http://www.tbs-sct.gc.ca/dpr-rmr/2006–2007/index-eng.asp**.

## Table 2 Voted and Statutory Items

| Vote/ Statutory item | (millions of dollars) | 2007-2008 Main Estimates [a] | Planned Spending | Authorities | Actual |
|---|---|---|---|---|---|
| | **Department** | | | | |
| 1 | Operating expenditures | 2,508.9 | 2,518.3 | 2,531.6 | 2,500.9 |
| 5 | Grants and contributions | 1,155.8 | 1,159.7 | 1,240.2 | 1,027.3 |
| 7 | Write-off of Debts | - | - | 0.4 | 0.4 |
| (S) | Minister of Human Resources and Social Development - Salary and motor car allowance | 0.1 | 0.1 | 0.1 | 0.1 |
| (S) | Minister of Labour and Minister of the Economic Development Agency of Canada for the Regions of Quebec - Salary and motor car allowance | 0.1 | 0.1 | 0.1 | 0.1 |
| (S) | Old Age Security Payments | 24,093.0 | 24,093.0 | 24,029.8 | 24,029.8 |
| (S) | Guaranteed Income Supplement payments | 7,413.0 | 7,413.0 | 7,406.7 | 7,406.7 |
| (S) | Allowance Payments | 553.0 | 553.0 | 518.2 | 518.2 |
| (S) | Payments related to the direct financing arrangement under the *Canada Student Financial Assistance Act* | 366.4 | 366.4 | 292.3 | 292.3 |
| (S) | The provision of funds for interest payments under the *Canada Student Loans Act* | 0.1 | 0.1 | 0.1 | 0.1 |
| (S) | The provision of funds for liabilities including liabilities in the form of guaranteed loans under the *Canada Student Loans Act* | 8.1 | 8.1 | (19.1) | (19.1) |
| (S) | The provision of funds for interest and other payments to lending institutions and liabilities under the *Canada Student Financial Assistance Act* | 52.9 | 52.9 | 38.3 | 38.3 |
| (S) | Canada Study Grants to qualifying full and part-time students pursuant to the *Canada Student Financial Assistance Act* | 136.1 | 136.1 | 161.5 | 161.5 |
| (S) | Supplementary Retirement Benefits - Annuities agents' pensions | - | - | - | - |
| (S) | Universal Child Care Benefit Payments | 2,460.0 | 2,460.0 | 2,474.3 | 2,474.3 |
| (S) | Civil Service Insurance actuarial liability adjustments | 0.1 | 0.1 | - | - |
| (S) | Payments of compensation respecting government employees and merchant seamen | 59.0 | 59.0 | 39.5 | 39.5 |
| (S) | Canada Learning Bond payments to Registered Education Savings Plans (RESPs) trustees on behalf of RESP beneficiaries to support access to post-secondary education to children from low-income families | 25.0 | 25.0 | 35.8 | 35.8 |
| (S) | Canada Education Savings Grant payments to Registered Education Savings Plans (RESPs) trustees on behalf of RESP beneficiaries to encourage Canadians to save for post-secondary education for their children | 540.0 | 540.0 | 579.7 | 579.7 |
| (S) | Wage Earner Protection Program | - | 28.7 | - | - |
| (S) | Energy Cost Benefits | - | - | 0.1 | 0.1 |
| (S) | Spending of proceeds from disposal of Crown Assets | - | - | 0.2 | 0.1 |
| (S) | Labour Adjustment benefits in accordance with the terms and conditions prescribed by the Governor in Council to assist workers who have been laid off as a result of import competition, industrial restructuring, or severe economic disruption in an industry or region | - | - | - | - |
| (S) | Contributions to employee benefit plans | 233.7 | 235.0 | 236.9 | 236.9 |
| | **Total Budgetary** | 39,605.3 | 39,648.6 | 39,564.7 | 39,321.0 |
| | **Plus: Non-Budgetary** | | | | |
| | Loans disbursed under the *Canada Student Financial Assistance Act* | 855.7 | 855.7 | 1,099.5 | 1,099.5 |
| | **Total Department** | 40,461.0 | 40,504.3 | 40,664.2 | 40,420.5 |
| | **Plus: Specified Purpose Accounts** | | | | |
| | Employment Insurance costs | | 16,423.6 | 16,204.9 | 16,063.2 |
| | Canada Pension Plan costs | | 27,881.1 | 28,113.3 | 28,135.7 |
| | Other Specified Purpose Accounts costs | | 45.3 | 45.2 | 45.2 |
| | Departmental Employee Benefit Plan recoverable from Employment Insurance Account and Canada Pension Plan | | (153.9) | (160.2) | (160.2) |
| | **Total Consolidated Expenditures** | 40,461.0 | 84,700.4 | 84,867.4 | 84,504.4 |
| | **Full Time Equivalents** | 23,309 | 23,437 | 23,168 | 23,168 |

[a] As published in Main Estimates 2007–2008.

# Electronic Tables

To reduce the volume of printed material, the following tables are not included in the printed Departmental Performance Report but can be found at: **http://www.tbs-sct.gc.ca/est-pre/estime.asp**

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| **Table 13:** | Human Resources and Social Development Canada Consolidated Financial Statements for the Year Ended March 31, 2008 |

# Specified Purpose Accounts

## Introduction

Specified Purpose Accounts (SPA) are special categories of revenues and expenditures. They report transactions of certain accounts where enabling legislation requires that revenues be earmarked and that related payments and expenditures be charged against such revenues. The transactions of these accounts are to be accounted for separately.

HRSDC is responsible for the stewardship of four such accounts:

- the Employment Insurance (EI) Account;
- the Canada Pension Plan (CPP);
- the Government Annuities Account; and
- the Civil Service Insurance Fund.

The EI Account **is a consolidated SPA** and is included in the financial reporting of the Government of Canada. Consolidated SPAs are used principally where the activities are similar in nature to departmental activities and the transactions do not represent liabilities to third parties but, in essence, constitute Government revenues and expenditures.

The CPP **is a SPA but is not consolidated** as part of the Government of Canada financial statements. It is under joint control of the government and the participating provinces. As administrator, the government's authority to spend is limited to the balance in the Plan.

The Government Annuities Account **is a consolidated SPA** and is included in the financial reporting of the Government of Canada. It was established by the *Government Annuities Act*, and modified by the *Government Annuities Improvement Act*, which discontinued sales of annuities in 1975. The account is valued on an actuarial basis each year, with the deficit or surplus charged or credited to the Consolidated Revenue Fund.

The Civil Service Insurance Fund **is a consolidated SPA** and is included in the financial reporting of the Government of Canada. It was established by the *Civil Service Insurance Act*. Pursuant to subsection 16(3) of the *Civil Service Insurance Regulations*, the amount of actuarial deficits is transferred from the Consolidated Revenue Fund to the Civil Service Insurance Account in order to balance the assets and liabilities of the program.

The following information updates forecasted data on the EI Account and CPP that the Department provided in the *2007–2008 Report on Plans and Priorities*.[21] That report presented multi year financial data and general information. Additional information on performance and year end data is available at the internet addresses provided in this section.

[21] For further information, see **http://www.tbs-sct.gc.ca/rpp/0708/hrsdc-rhdsc/hrsdc-rhdsc_e.asp**

# Employment Insurance Account

The table below summarizes the financial results for the EI Account from 2005–2006 to 2007–2008.

**EI Account** Statement of Operations[a]

| (millions of dollars) | Actual 2005-06 | 2006-07 | 2007-08 |
|---|---|---|---|
| **Expenditures** | | | |
| Benefits | 14,418 | 14,079 | 14,293 |
| Administrative Costs | 1,576 | 1,636 | 1,689 |
| Doubtful Accounts[b] | 56 | 99 | 81 |
| **Sub-Total** | **16,050** | **15,815** | **16,063** |
| **EI Premiums and Penalties** | | | |
| Premiums | 16,917 | 17,109 | 16,877 |
| Penalties | 50 | 56 | 58 |
| **Sub-Total** | **16,967** | **17,165** | **16,935** |
| **Variance** | **917** | **1,351** | **872** |
| **Premium Rate** | **2006** | **2007** | **2008** |
| (% of Insurable Earnings) | | | |
| Employee | 1.87% | 1.80% | 1.73% |
| Employer | 2.62% | 2.52% | 2.42% |

[a] **The EI Account is a consolidated SPA** and is included in the financial reporting of the Government of Canada. Consolidated SPAs are used principally where the activities are similar in nature to departmental activities and the transactions do not represent liabilities to third parties but, in essence, constitute government revenues and expenditures.

[b] Represents write-offs and estimates of uncollectible account receivables for benefit overpayments and penalties imposed.

In 2007–2008, revenues from EI premiums declined slightly despite the growth in employment and earnings. The decline was attributable to the reduction in the premium rate. Conversely, EI benefit payments increased in 2007–2008 due to higher weekly benefits. The increase was, however, partially offset by a decline in the number of beneficiaries. As a result, revenues to the EI Account for the period exceeded expenditures by $0.9 billion. The annual surplus combined with the interest of $2.0 billion brought the notional cumulative surplus in the EI Account to $57.0 billion as of March 31, 2008.

More detailed information is reported in the 2007–2008 audited EI Account financial statements that are included in the *2008 Public Accounts of Canada*, Volume 1, Section 4.[22] HRSDC also offers information on Employment Insurance on its website.[23] It provides information on the authority, objectives and details of the program as well as links to Actuarial Reports and the EI Commission's annual Monitoring and Assessment Reports.

[22] For further information, see **http://www.pwgsc.gc.ca/recgen/text/pub-acc-e.html**

[23] For further information, see **http://www.hrsdc.gc.ca/en/ei/legislation/ei_act_tofprov_1.shtml**

# Canada Pension Plan

The following table summarizes the financial results for the Canada Pension Plan (CPP) from 2005–2006 to 2007–2008.

More information relating to 2007–2008 is reported in the Canada Pension Plan financial statements which can be found in the *2008 Public Accounts of Canada*, Volume 1, Section 6.

**Canada Pension Plan** Summary

| ($ millions) | 2005-2006[4] Actual | 2006-2007[4] Actual | 2007-2008 Forecast[5] | 2007-2008 Actual |
|---|---|---|---|---|
| **Revenue** | | | | |
| Contributions | 30,117 | 32,355 | 32,987 | 35,346 |
| Investment Income | | | | |
| Canada Pension Plan | 21 | 9 | 7 | 11 |
| CPP Investment Board [1] | 12,193 | 12,788 | - | (268) |
| CPP Investment Fund [2] | 818 | 247 | - | - |
| Total Investment Income | 13,032 | 13,044 | 7 | (257) |
| **Total Revenue** | **43,149** | **45,399** | **32,994** | **35,089** |
| **Expenditures** | | | | |
| Benefit Payments | 24,977 | 26,115 | 27,514 | 27,537 |
| Administrative Expenses [3] | 462 | 574 | 572 | 599 |
| **Total Expenditures** | **25,439** | **26,689** | **28,086** | **28,136** |
| **Increase** | 17,710 | 18,710 | 4,908 | 6,953 |
| **Year-end Balance** | 101,121 | 119,831 | 124,739 | 126,784 |

[1] Canada Pension Plan Investment Board actual amounts are based on their audited financial statements. The CPP Investment Board invests mainly in equities. The investment income is determined mainly by the change in fair values of these investments. For 2007–2008 there was a net investment loss.

[2] The Canada Pension Plan Investment Fund was made up of provincial, territorial and government bonds. As of March 31, 2006, these were valued at fair value. Since May 2004, the rights and titles of the CPP Investment Fund bonds were being transferred, over a three year period and on a monthly basis, to the CPP Investment Board. After the last portion (36/36th at $630 million) of the Investment Fund was transferred to the CPP Investment Board on April 1, 2007, the CPP Investment Fund ceased to exist.

[3] Administrative Expenses have been revised to include CPP Administrative Expenses as well as CPP Investment Board Administrative Expenses.

[4] The 2005–2006 and 2006–2007 actual figures have been restated.

[5] 2007–2008 Forecast are figures reported in the 2008–2009 Report of Plans and Priorities.

**Please Note: All amounts from this table are the consolidated amounts found in the audited CPP annual financial statements.**

# Government Annuities Account

The following table summarizes the financial results for the Government Annuities Account from 2005–2006 to 2007–2008. Source of the figures is the Report of the Chief Actuary on the Government Annuities as at March 31, 2008

**Government Annuities Account** Statement of Operations and Actuarial Liabilities

| (millions of dollars) | Actual 2005-2006 | 2006-2007 | 2007-2008 |
|---|---|---|---|
| **Actuarial Liabilities –** | | | |
| **Balance at Beginning of Year** | **377.2** | **347.2** | **319.4** |
| Income | 24.5 | 23.4 | 21.1 |
| Payments and Other Charges | 51.0 | 48.3 | 45.0 |
| Excess of Payments and Other Charges Over Income for the Year | 26.5 | 24.9 | 23.9 |
| Actuarial Surplus | 3.5 | 2.9 | 2.6 |
| **Actuarial Liabilities –** | | | |
| **Balance at End of the Year** | **347.2** | **319.4** | **292.9** |

The annual report and financial statements for Government Annuities are available in the 2008 *Public Accounts of Canada*, Volume 1, Section 6[24].

[24] For further information, see **http://www.tpsgc-pwgsc.gc.ca/recgen/txt/index-eng.html.**

# Civil Service Insurance Fund

The following table summarizes the financial results for the Civil Service Insurance Fund from 2005–2006 to 2007–2008.

**Civil Service Insurance Fund** Statement of Operations and Balance

| (millions of dollars) | Actual 2005-2006 | 2006-2007 | 2007-2008 |
|---|---|---|---|
| **Opening Balance** | **6.6** | **6.3** | **6.0** |
| Receipts and Other Credits | 0.1 | 0.0 | 0.1 |
| Payments and Other Charges | 0.4 | 0.3 | 0.2 |
| Excess of Payments and Other Charges Over Income for the Year | 0.3 | 0.3 | 0.1 |
| **Balance at End of the Year** | **6.3** | **6.0** | **5.9** |

The annual report and financial statements for Civil Service Insurance Fund are available in the 2008 *Public Accounts of Canada*, Volume 1, Section 6[25].

[25] For further information, see **http://www.tpsgc-pwgsc.gc.ca/recgen/txt/index-eng.html.**

# Statutory Annual Reports

## Old Age Security

The Old Age Security program is one of the cornerstones of Canada's retirement income system. Benefits include the basic Old Age Security pension, the Guaranteed Income Supplement and the Allowance. The Old Age Security program is financed from Government of Canada general tax revenues. The following tables present information on monthly benefits, beneficiaries and payments by province or territory.

### Statutory Annual Reports — Summary of Maximum Monthly Benefits

| (dollars) Fiscal Year | Basic Pension | Income Supplement | | Allowance | | Increase |
|---|---|---|---|---|---|---|
| | | Single | Married | Regular | Survivor | |
| **Monthly benefit by fiscal year** | | | | | | |
| 2007-2008 Actuals | | | | | | |
| January 1, 2008 | 502.31 | 634.02 | 418.69 | 921.00 | 1,020.91 | 0.0% |
| October 1, 2007 | 502.31 | 634.02 | 418.69 | 921.00 | 1,020.91 | 0.9% |
| July 1, 2007 | 497.83 | 628.36 | 414.96 | 912.79 | 1,011.80 | 1.2% |
| April 1, 2007 | 491.93 | 620.91 | 410.04 | 901.97 | 999.81 | 0.0% |
| 2007-2008 Estimates | | | | | | |
| January 1, 2008 | 501.83 | 633.42 | 418.31 | 920.14 | 1,019.94 | 0.4% |
| October 1, 2007 | 499.83 | 630.90 | 416.64 | 916.47 | 1,015.88 | 0.7% |
| July 1, 2007 | 496.36 | 626.51 | 413.74 | 910.10 | 1,008.82 | 0.7% |
| April 1, 2007 | 492.91 | 622.15 | 410.86 | 903.77 | 1,001.81 | 0.2% |
| 2006-2007 Actuals | | | | | | |
| January 1, 2007 | 491.93 | 620.91 | 410.04 | 901.97 | 999.81 | 0.0% |
| October 1, 2006 | 491.93 | 602.91 | 395.54 | 887.47 | 981.81 | 0.9% |
| July 1, 2006 | 487.54 | 597.53 | 392.01 | 879.55 | 973.05 | 0.6% |
| April 1, 2006 | 484.63 | 593.97 | 389.67 | 874.30 | 967.24 | 0.0% |
| **Fiscal year average (annual benefits)** | | | | | | |
| 2007-08 Actuals | 5,983.14 | 7,551.93 | 4,987.14 | 10,970.28 | 12,160.29 | 3.4% |
| 2007-08 Estimates | 5,972.79 | 7,538.94 | 4,978.65 | 10,951.44 | 12,139.35 | 3.3% |
| 2006-07 Actuals | 5,868.09 | 7,245.96 | 4,761.78 | 10,629.87 | 11,765.73 | 4.2% |

### Statutory Annual Reports — Number of Persons Receiving Old Age Security Benefits by Province or Territory and by Type

| Province or Territory | March 2007 | | | | March 2008 | | | |
|---|---|---|---|---|---|---|---|---|
| | Old Age Security (OAS) Pension | Guaranteed Income Supplement (GIS) | Allowance | GIS as % of OAS | Old Age Security (OAS) Pension | Guaranteed Income Supplement (GIS) | Allowance | GIS as % of OAS |
| Newfoundland and Labrador | 70,794 | 44,864 | 4,489 | 63.37 | 72,546 | 45,411 | 4,533 | 62.60 |
| Prince Edward Island | 19,696 | 9,281 | 570 | 47.12 | 20,108 | 9,374 | 575 | 46.62 |
| Nova Scotia | 135,432 | 58,505 | 4,301 | 43.20 | 138,753 | 59,664 | 4,353 | 43.00 |
| New Brunswick | 107,663 | 53,560 | 4,252 | 49.75 | 110,215 | 54,582 | 4,299 | 49.52 |
| Quebec | 1,075,251 | 501,897 | 31,691 | 46.68 | 1,108,175 | 520,851 | 31,572 | 47.00 |
| Ontario | 1,606,920 | 468,269 | 27,864 | 29.14 | 1,647,106 | 485,298 | 27,805 | 29.46 |
| Manitoba | 159,080 | 58,949 | 3,488 | 37.06 | 161,191 | 59,436 | 3,395 | 36.87 |
| Saskatchewan | 146,036 | 57,631 | 3,356 | 39.46 | 146,431 | 57,601 | 3,223 | 39.34 |
| Alberta | 345,817 | 117,357 | 6,412 | 33.94 | 355,789 | 119,202 | 5,642 | 33.50 |
| British Columbia | 570,592 | 189,185 | 10,891 | 33.16 | 586,798 | 193,749 | 10,844 | 33.02 |
| Yukon | 2,370 | 774 | 42 | 32.66 | 2,501 | 803 | 45 | 32.11 |
| Northwest Territories[a] | 2,834 | 1,519 | 121 | 53.60 | 2,939 | 1,586 | 113 | 53.96 |
| International[b] | 83,366 | 8,841 | 69 | 10.61 | 87,118 | 8,606 | 70 | 9.88 |
| Total | 4,325,851 | 1,570,632 | 97,546 | 36.31 | 4,439,670 | 1,616,163 | 96,469 | 36.40 |

[a] Data for Nunavut are included.

[b] Persons receiving Canadian Old Age Security benefits under International Agreements on Social Security.

## Statutory Annual Reports — Old Age Security Payments, by Province or Territory and by Type, Fiscal Year 2007–2008

(dollars)

| Province or Territory | Old Age Security (OAS) Pension | Guaranteed Income Supplement (GIS) | Allowance | Total |
|---|---|---|---|---|
| Newfoundland and Labrador | 428,950,339 | 191,883,070 | 25,888,238 | 646,721,647 |
| Prince Edward Island | 112,830,932 | 45,586,429 | 2,747,841 | 161,165,202 |
| Nova Scotia | 818,182,937 | 238,587,857 | 21,798,348 | 1,078,569,142 |
| New Brunswick | 650,945,567 | 224,002,493 | 22,619,785 | 897,567,845 |
| Quebec | 6,453,998,677 | 2,225,715,761 | 155,744,329 | 8,835,458,767 |
| Ontario | 9,273,217,181 | 2,382,773,500 | 156,979,487 | 11,812,970,168 |
| Manitoba | 946,468,509 | 246,031,849 | 18,157,732 | 1,210,658,090 |
| Saskatchewan | 874,185,133 | 238,129,992 | 17,655,793 | 1,129,970,918 |
| Alberta | 2,030,214,035 | 552,460,752 | 33,089,556 | 2,615,764,343 |
| British Columbia | 3,261,160,685 | 964,881,446 | 61,781,842 | 4,287,823,973 |
| Yukon | 14,523,404 | 3,430,591 | 231,686 | 18,185,681 |
| Northwest Territories[a] | 17,411,225 | 8,246,603 | 857,471 | 26,515,299 |
| International[b] | 110,807,936 | 84,976,161 | 619,036 | 196,403,133 |
| **Total** | **24,992,896,560** | **7,406,706,504** | **518,171,144** | **32,917,774,208** |
| **Recovery tax portion of OAS** | **(963,097,693)** | **-** | **-** | **(963,097,693)** |
| **Total including recovery tax** | **24,029,798,867** | **7,406,706,504** | **518,171,144** | **31,954,676,515** |

[a] Data for Nunavut are included.

[b] Persons receiving Canadian Old Age Security benefits under International Agreements on Social Security.

# Consolidated Report on Canada Student Loans Programs

In August 2000, the Canada Student Loans Program was shifted from the risk-shared financing arrangements that had been in place with financial institutions between 1995 and July 2000 to a direct student loan financing plan.[26] This meant that the Program had to redesign the delivery mechanism in order to directly finance student loans. In the new arrangement, the Government of Canada provides the necessary funding to students and two service providers have contracts to administer the loans. As of March 2008, the Government of Canada shifted from two service provider contracts to one single service provider.

## Reporting Entity

The entity detailed in this report is the Canada Student Loans Program only and does not include departmental operations related to the delivery of the Canada Student Loans Program. Expenditures figures are primarily statutory in nature, made under the authority of the *Canada Student Loans Act* and the *Canada Student Financial Assistance Act*.

## Basis of Accounting

The financial figures are prepared in accordance with generally accepted accounting principles and as reflected in the Public Sector Accounting Handbook of the Canadian Institute of Chartered Accountants.

### Revenues

Two sources of revenue are reported: interest revenue on Direct Loans and recoveries on Guaranteed and Put Back Loans. Government accounting practices require that recoveries from both sources be credited to the government's Consolidated Revenue Fund. They do not appear along with the expenditures in the Canada Student Loans Program accounts, but are reported separately in the financial statements of Human Resources and Social Development Canada and the government.

### Interest Revenue on Direct Loans

Borrowers are required to pay simple interest on their student loans once they leave full-time studies. At the time they leave school, students have the option of selecting a variable (prime + 2.5%) or fixed (prime + 5%) interest rate. The figures represent the interest accrued on the outstanding balance of the government-owned Direct Loans. Borrowers continue to pay the interest accruing on the guaranteed and risk-shared loans directly to the private lender holding these loans. Effective August 1, 2005, the weekly loan limit increased from $165 per week to $210 per week of study. As more funds are now available to students, total loan disbursements and interest revenue generated will continue to increase.

### Recoveries on Guaranteed Loans

The government reimburses the private lenders for any loans issued prior to August 1, 1995 that go into default (i.e., lenders claim any amount of principal and interest not repaid in full). The figures represent the recovery of principal and interest on these defaulted loans.

### Recoveries on Put-back Loans

Under the risk-shared agreements, the government will purchase from the participating financial institutions any loans issued between August 1, 1995 to July 31, 2000 that are in default of payments for at least 12 months after the period of study, that in aggregate, do not exceed 3% of the average monthly balance of the lender's outstanding student loans in repayments. The amount paid is set at 5% of the value of the loans in question. The figures represent the recovery of principal and interest on these loans.

### Canada Study Grants and Canada Access Grants

Canada Study Grants and Canada Access Grants improve access to post-secondary education by providing non-repayable financial assistance to post-secondary students. Four types of Canada Study Grants are

[26] For further information on the Canada Student Loans Program, see **http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/cslp.shtml**

available to assist: (1) students with permanent disabilities in order to meet disability-related educational expenses (up to $8,000 annually); (2) students with dependants (up to $3,120 for full-time students and up to $1,920 for part-time students, annually); (3) high-need part-time students (up to $1,200 annually); and (4) women in certain fields of Ph.D. studies (up to $3,000 annually for up to three years). Two Canada Access Grants are available since August 1, 2005, to assist: (1) students from low-income families entering their first year of post-secondary studies (50% of tuition, up to $3,000); and (2) students with permanent disabilities in order to assist with education and living expenses (up to $2,000 annually).[27]

### Collection Costs

These amounts represent the cost of using private collection agencies to collect defaulted Canada Student Loans. The loans being collected include: risk-shared and guaranteed loans that have gone into default and for which the government has bought back from the private lender; and Direct Loans issued after July 31, 2000, that are returned to HRSDC by the third party service provider as having defaulted. As of August 1, 2005 the Canada Revenue Agency Non Tax Collections Directorate undertook the responsibility for the administration of the collection activities of the guaranteed, risk-shared and direct student loans.

### Service Provider Costs

Canada Student Loans Program uses third party service providers to administer loan origination, in-study loan management, post-studies repayment activities and debt management. This item represents the cost associated with these contracted services.

### Risk Premium

Risk premium represents part of the remuneration offered to lending institutions participating in the risk-shared program from August 1, 1995 to July 31, 2000. The risk premium represents 5% of the value of loans being consolidated which is calculated and paid at the time students leave studies and go into repayment. In return, the lenders assume the risk associated with non-repayment of these loans.

### Put-Back

Subject to the provisions of the contracts with lending institutions, the government will purchase from a lender the student loans that are in default of payment for at least 12 months and that, in aggregate, do not exceed 3% of the average monthly balance of the lender's outstanding student loans in repayments. The amount paid is set at 5% of the value of the loans in question. The figures also include any refund made to participating financial institutions on the recoveries.

### Administrative Fees to Provinces and Territories

Pursuant to the *Canada Student Financial Assistance Act*, the government has entered into arrangements with nine provinces and one territory to facilitate the administration of the Canada Student Loans Program. They administer the application and needs assessment activities associated with federal student financial assistance and in return they are paid an administrative fee. As of August 1, 2005 administrative fees paid to provinces were increased to improve the compensation for their part in the administration of the Canada Student Loans Program.

### In-Study Interest Borrowing Expense

The capital needed to issue the Direct Loans is raised through the Department of Finance's general financing activities. The cost of borrowing this capital is recorded in the Department of Finance's overall financing operations. The figures represent the cost attributed to Canada Student Loans Program in support of Direct Loans while students are considered in study status. Weekly loan limits increased effective August 1, 2005. As more funds are now available to students, total loan disbursements have grown, and as a result the in-study interest borrowing expense will continue to rise.

### In-Repayment Interest Borrowing Expense

The capital needed to issue the Direct Loans is raised through the Department of Finance's general financing activities. The cost of borrowing this capital is recorded in the Department of Finance's overall financing operations. The figures represent the cost

[27] For further information on the Canada Student Loans Program, see **http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/cslp.shtml**

attributed to Canada Student Loans Program in support of Direct Loans while students are in repayment of their Canada Student Loans.

### In-Study Interest Subsidy

A central feature of federal student assistance is that student borrowers are not required to pay the interest on their student loans as long as they are in full-time study and, in the case of loans negotiated prior to August 1, 1993, for six months after the completion of studies. Under the guaranteed and risk-shared programs, the government pays the interest to the lending institutions on behalf of the student.

### Interest Relief

Assistance may be provided to cover loan interest and suspend payments on the principal of loans in repayment for up to 54 months for borrowers experiencing temporary difficulties repaying their loans. The shift from Guaranteed and Risk-Shared Loans to Direct Loans did not alter interest relief for loans in distress from the borrower's perspective; however, the method of recording associated costs changed. For loans issued prior to August 1, 2000, Canada Student Loans Program compensates lending institutions for lost interest equal to the accrued interest amount on loans under Interest Relief. For loans issued after August 1, 2000, an interest relief expense is recorded to offset the accrued interest on direct loans. Effective August 1, 2005 income thresholds used to determine Interest Relief eligibility increased in order to make Interest Relief accessible to a greater number of borrowers.

### Debt Reduction in Repayment

Debt Reduction in Repayment assists borrowers experiencing long-term difficulties repaying their loans. Debt Reduction in Repayment is a federal repayment assistance program through which the Government of Canada reduces a qualifying borrower's outstanding Canada Student Loans principal to an affordable amount after Interest Relief has been exhausted and only after 5 years have passed since the borrower ceased to be a student. As of August 1, 2005, the maximum amount of Debt Reduction in Repayment assistance is $26,000, which is available to eligible borrowers in an initial deduction of up to $10,000, a second deduction of up to $10,000 and a final deduction of up to $6,000. For loans issued prior to August 1, 2000, Canada Student Loans Program pays the lending institutions the amount of student debt principal reduced by the Government of Canada under Debt Reduction in Repayment. For loans issued after August 1, 2000, the Government of Canada forgives a portion of the loan principal.

### Claims Paid and Loans Forgiven

From the beginning of the program in 1964 until July 31, 1995, the government fully guaranteed all loans issued to students by private lenders. The government reimburses private lenders for any of these loans that go into default (i.e., subject to specific criteria, lenders may claim any amount of principal and interest not repaid in full, after which the Canada Revenue Agency's Collection Services will attempt to recover these amounts). The risk-shared arrangements also permitted loans issued from August 1, 1995 to July 31, 2000 to be guaranteed under specific circumstances. This item represents the costs associated with loan guarantees.

Pursuant to the *Canada Student Loans Act* and the *Canada Student Financial Assistance Act*, the government incurs the full amount of the unpaid principal plus accrued interest in the event of the death of the borrower or, if the borrower becomes permanently disabled and cannot repay the loan without undue hardship.

### Bad Debt Expense

Under Direct Loans, the government owns the loans issued to students and must record them as assets. As a result, generally accepted accounting principles require a provision be made for potential future losses associated with these loans. The provision must be made in the year the loans are issued even though the losses may occur many years later. The figures represent the annual adjustment to the provisions for Bad Debt and Debt Reduction in Repayment on Direct Loans.

### Alternative Payments to Non-participating Provinces and Territories

Provinces and territories may choose not to participate in the Canada Student Loans Program. These provinces and territories receive an alternative payment to assist in the cost of delivering a similar student financial assistance program.

[28] For further information on the Canada Student Loans Program, see **http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/cslp.shtml**

## Figure 1 Consolidated Canada Student Loans Programs – Combined Programs

| (millions of dollars) | Actual 2005-2006 | Actual 2006-2007 | 2007-2008 Forecast | 2007-2008 Actual |
|---|---|---|---|---|
| **Revenues** | | | | |
| Interest Revenue on Direct Loans | 315.7 | 453.3 | 445.3 | 552.4 |
| Recoveries on Guaranteed Loans | 66.8 | 55.3 | 53.1 | 46.6 |
| Recoveries on Put-Back Loans (RS) | 13.1 | 14.5 | 19.1 | 13.5 |
| **Total Loan Revenue** | 395.6 | 523.1 | 517.5 | 612.6 |
| **Expenses** | | | | |
| *Transfer payment* | | | | |
| Canada Study Grants and Canada Access Grants | 129.7 | 146.4 | 136.1 | 161.5 |
| *Loan Administration* | | | | |
| Collection Costs (All regimes) [a] | 13.6 | 12.4 | 21.0 | 14.4 |
| Service Provider Costs (DL) | 50.2 | 65.6 | 83.3 | 70.8 |
| Risk Premium to Financial Institutions (RS) | 2.7 | 1.8 | 1.8 | 1.3 |
| Put-Back to Financial Institutions (RS) | 4.3 | 4.7 | 5.4 | 3.8 |
| Administrative Fees to Provinces and Territories (DL) | 13.9 | 14.7 | 14.2 | 13.7 |
| **Total Loan Administration Expenses** | 84.7 | 99.2 | 125.7 | 104.0 |
| *Cost of Government Benefits to Students* | | | | |
| In-Study Interest Borrowing Expense (Class A - DL) [b] | 159.3 | 185.7 | 187.5 | 188.6 |
| In Repayment Interest Borrowing Expense (Class B - DL) [b] | 111.4 | 145.0 | 174.6 | 166.2 |
| In-Study Interest Subsidy (RS & GL) | 12.1 | 11.5 | 9.2 | 8.0 |
| Interest Relief (All regimes) | 67.2 | 84.2 | 84.4 | 93.2 |
| Debt Reduction in Repayment (RS & GL) | 31.4 | 20.1 | 24.5 | 14.3 |
| Claims Paid & Loans Forgiven (All regimes) | 24.8 | 24.2 | 24.7 | 17.0 |
| **Total Cost of Govt Benefits to Students** | 406.2 | 470.7 | 504.9 | 487.3 |
| *Bad Debt Expense* [c] | | | | |
| Debt Reduction in Repayment Expense (DL) | 13.3 | 9.6 | 14.1 | 12.4 |
| Bad Debt Expense (DL) | 297.2 | 260.4 | 354.5 | 305.7 |
| **Total Bad Debt Expense** | 310.5 | 270.0 | 368.6 | 318.1 |
| **Total Loan Expenses** | 931.1 | 986.3 | 1,135.3 | 1,070.9 |
| **Net Operating Results** | 535.5 | 463.2 | 617.8 | 458.3 |
| Alternative Payments to Non-Participating Provinces (DL) [d] | 158.2 | 91.3 | 172.6 | 113.9 |
| **Final Net Operating Results** | **693.7** | **554.5** | **790.4** | **572.2** |

(DL) = Direct Loans
(RS) = Risk-Shared Loans
(GL) = Guaranteed Loans

[a] These costs are related to collection activities performed by the Canada Revenue Agency.

[b] These costs are related to Canada Student Direct Loans but reported by the Department of Finance.

[c] This represents the annual expense against the Provisions for Bad Debt and Debt Reduction in Repayment as required under Accrual Accounting.

[d] The figures represent the annual expense recorded under the Accrual Accounting as opposed to the actual amount disbursed to the Non-Participating Provinces. For 2007–2008, the total amount disbursed as Alternative Payments is $115.8 M.

## Figure 2 Consolidated Canada Student Loans Programs – Risk Shared and Guaranteed Loans Only

| (millions of dollars) | Actual 2005-2006 | Actual 2006-2007 | 2007-2008 Forecast | 2007-2008 Actual |
|---|---|---|---|---|
| **Revenues** | | | | |
| Recoveries on Guaranteed Loans | 66.8 | 55.3 | 53.1 | 46.6 |
| Recoveries on Put-Back Loans (RS) | 13.1 | 14.5 | 19.1 | 13.5 |
| **Total Loan Revenue** | 79.9 | 69.8 | 72.2 | 60.2 |
| **Expenses** | | | | |
| *Loan Administration* | | | | |
| Collection Costs[a] | 6.7 | 5.3 | 7.3 | 4.9 |
| Risk Premium to Financial Institutions (RS) | 2.7 | 1.8 | 1.8 | 1.3 |
| Put-Back to Financial Institutions (RS) | 4.3 | 4.7 | 5.4 | 3.8 |
| **Total Loan Administration Expenses** | 13.7 | 11.8 | 14.5 | 10.0 |
| *Cost of Government Benefits to Students* | | | | |
| In-Study Interest Subsidy | 12.1 | 11.5 | 9.2 | 8.0 |
| Interest Relief | 23.3 | 20.8 | 10.8 | 14.4 |
| Debt Reduction in Repayment | 31.4 | 20.1 | 24.5 | 14.3 |
| Claims Paid & Loans Forgiven | 15.7 | 17.0 | 9.4 | 9.8 |
| **Total Cost of Govt Benefits to Students** | 82.5 | 69.4 | 53.9 | 46.5 |
| **Total Loan Expenses** | 96.2 | 81.2 | 68.4 | 56.5 |
| **Final Net Operating Results** | **16.3** | **11.4** | **(3.8)** | **(3.7)** |

(RS) = Risk-Shared Loans

[a] These costs are related to collection activities performed by the Canada Revenue Agency.

## Figure 3 Consolidated Canada Student Loans Programs – Direct Loans Only

| (millions of dollars) | Actual 2005-2006 | Actual 2006-2007 | 2007-2008 Forecast | 2007-2008 Actual |
|---|---|---|---|---|
| **Revenue** | | | | |
| Interest Revenue on Direct Loans | 315.7 | 453.3 | 445.3 | 552.4 |
| **Total Loan Revenue** | 315.7 | 453.3 | 445.3 | 552.4 |
| **Expenses** | | | | |
| *Transfer payment* | | | | |
| Canada Study Grants and Canada Access Grants | 129.7 | 148.4 | 136.1 | 161.5 |
| *Loan Administration* | | | | |
| Collection Costs[a] | 6.9 | 7.1 | 13.7 | 9.5 |
| Service Provider Costs | 50.2 | 65.6 | 83.3 | 70.9 |
| Administrative Fees to Provinces and Territories | 13.9 | 14.7 | 14.2 | 13.7 |
| **Total Loan Administration Expenses** | 71.0 | 87.4 | 111.2 | 94.0 |
| *Cost of Government Benefits to Students* | | | | |
| In-Study Interest Borrowing Expense (Class A)[b] | 159.3 | 185.7 | 187.5 | 198.6 |
| In Repayment Interest Borrowing Expense (Class B)[b] | 111.4 | 145.0 | 174.6 | 166.2 |
| Interest Relief | 43.9 | 63.4 | 73.6 | 78.6 |
| Loans Forgiven | 9.1 | 7.2 | 15.3 | 7.2 |
| **Total Cost of Govt Benefits to Students** | 323.7 | 401.3 | 451.0 | 440.8 |
| *Bad Debt Expense*[c] | | | | |
| Debt Reduction in Repayment Expense | 13.3 | 9.6 | 14.1 | 12.4 |
| Bad Debt Expense | 297.2 | 260.4 | 354.5 | 305.7 |
| **Total Bad Debt Expense** | 310.5 | 270.0 | 368.6 | 318.1 |
| **Total Loan Expenses** | 834.9 | 905.1 | 1,068.9 | 1,014.4 |
| **Net Operating Results** | 519.2 | 451.8 | 621.6 | 462.0 |
| Alternative Payments to Non-Participating Provinces[d] | 158.2 | 91.3 | 172.6 | 113.9 |
| **Final Net Operating Results** | **677.4** | **543.1** | **794.2** | **575.9** |

[a] These costs are related to collection activities performed by the Canada Revenue Agency.

[b] These costs are related to Canada Student Direct Loans but reported by the Department of Finance.

[c] This represents the annual expense against the Provisions for Bad Debt and Debt Reduction in Repayment as required under Accrual Accounting.

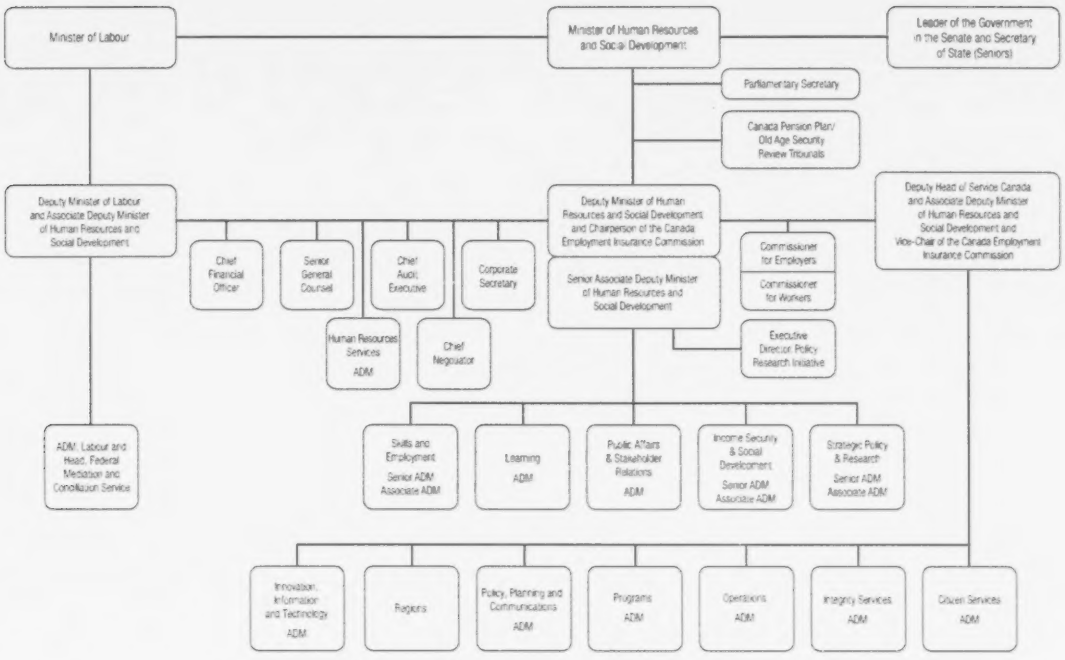
[d] The figures represent the annual expense recorded under the Accrual Accounting as opposed to the actual amount disbursed to the Non-Participating Provinces. For 2007–2008, the total amount disbursed as Alternative Payments is $115.8M.

# Section IV

## Other Items of Interest

# Organizational Information

## Human Resources and Social Development Canada
## Departmental Structure


Minister of Labour
Minister of Human Resources and Social Development
Leader of the Government in the Senate and Secretary of State (Seniors)
Parliamentary Secretary
Canada Pension Plan/ Old Age Security Review Tribunals
Deputy Minister of Labour and Associate Deputy Minister of Human Resources and Social Development
Deputy Minister of Human Resources and Social Development and Chairperson of the Canada Employment Insurance Commission
Deputy Head of Service Canada and Associate Deputy Minister of Human Resources and Social Development and Vice-Chair of the Canada Employment Insurance Commission
Chief Financial Officer
Senior General Counsel
Chief Audit Executive
Corporate Secretary
Human Resources Services ADM
Chief Negotiator
Senior Associate Deputy Minister of Human Resources and Social Development
Commissioner for Employers
Commissioner for Workers
Executive Director Policy Research Initiative
ADM, Labour and Head, Federal Mediation and Conciliation Service
Skills and Employment Senior ADM Associate ADM
Learning ADM
Public Affairs & Stakeholder Relations ADM
Income Security & Social Development Senior ADM Associate ADM
Strategic Policy & Research Senior ADM Associate ADM
Innovation, Information and Technology ADM
Regions
Policy, Planning and Communications ADM
Programs ADM
Operations ADM
Integrity Services ADM
Citizen Services ADM

# Website References

## HRSDC Website

**http://www.hrsdc.gc.ca/en/home.shtml**

**The Honourable Monte Solberg P.C., M.P.**
*Minister of Human Resources and Social Development Canada*
www.pm.gc.ca/eng/bio.asp?id=18

**The Honourable Jean-Pierre Blackburn**
*Minister of Labour and Housing*
www.pm.gc.ca/eng/bio.asp?id=50

**Acts and Regulations Governing HRSDC and SC**
www.hrsdc.gc.ca/en/cs/fas/as/contact/acts.shtml

**HRSDC Internal Audit**
www.hrsdc.gc.ca/en/cs/sp/sdc/audit/page00.shtml
www.hrsdc.gc.ca/en/cs/fas/iarms/toc.shtml

**HRSDC Evaluation**
www11.hrdc-drhc.gc.ca/pls/edd/v_report.report_index
www.hrsdc.gc.ca/en/cs/sp/sdc/evaluation/page00.shtml

**HRSDC Overview**
*List of HRSDC Programs and Services*
www.hrsdc.gc.ca/en/gateways/nav/ top_nav/ps.shtml

## Enhanced Canadian productivity and participation through efficient and inclusive labour markets, competitive workplaces and access to learning

### Labour Market and Workplace Skills

**Aboriginal Human Resources Development Strategy**
http://srv119.services.gc.ca/AHRDSInternet/general/public/HomePage1_e.asp

**Aboriginal Skills and Employment Partnerships**
http://srv119.services.gc.ca/AHRDSInternet/general/public/asep/asep_e.asp

**Adult Learning, Literacy and Essential Skills Program**
www.hrsdc.gc.ca/en/workplaceskills/oles/olesindex_en.shtml

**Employment Benefits and Support Measures**
www.tbs-sct.gc.ca/rma/eppi-ibdrp/hrdb-rhbd/dep-min/hrdc-rhdsc/lmda-edmt/description_e.asp

**Employment Insurance Benefits**
www1.servicecanada.gc.ca/en/ei/menu/eihome.shtml

**Enabling fund for Official Language Minority Communities**
www1.servicecanada.gc.ca/en/epb/olscc/fund.shtml

**Foreign Credential Recognition**
www.hrsdc.gc.ca/en/workplaceskills/credential_recognition/index.shtml

**Inter-provincial Labour Mobility**
www.hrsdc.gc.ca/en/workplaceskills/labour_mobility/index.shtml

**Inter-provincial Standards Red Seal Program**
www.red-seal.ca/Site/about/redseal_e.htm

**Labour Market Development Agreements**
www.tbs-sct.gc.ca/rma/eppi-ibdrp/hrdb-rhbd/lmda-edmt/description_e.asp

**Labour Market Information**
www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/lmi.shtml

**National Occupational Classification**
www.hrsdc.gc.ca/en/hip/hrp/noc/noc_index.shtml

**Office of Literacy and Essential Skills**
www.hrsdc.gc.ca/en/workplaceskills/oles/olesindex_en.shtml

**Sector Council Program**
www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/spi.shtml

**Targeted Initiative for Older Workers**
www.hrsdc.gc.ca/en/employment/employment_measures/older_workers/index.shtml

**Temporary Foreign Worker Program**
www.hrsdc.gc.ca/en/workplaceskills/foreign_workers/index.shtml

**Trades and Apprenticeship**
\www.hrsdc.gc.ca/en/workplaceskills/trades_apprenticeship/index.shtml

**Work Sharing**
/www.hrsdc.gc.ca/en/epb/sid/cia/grants/ws/desc_ws.shtml

**Workplace Skills Initiative**
www.hrsdc.gc.ca/en/ws/initiatives/wsi/index.shtml

**Workplace Skills Strategy**
www.hrsdc.gc.ca/en/ws/index.shtml

**Youth Employment Strategy**
www.youth.gc.ca

### Learning

**Student Financial Assistance**
www.hrsdc.gc.ca/en/gateways/topics/cxp-gxr.shtml and

**(Canada Student Loans Program)**
www.canlearn.ca

**Canada Education Savings Program (CSEP)**
www.canlearn.ca/en/save/save.shtml

**Canada Learning Bond (CLB)**
www.hrsdc.gc.ca/en/learning/education_savings/public/clb.shtml

**Canada Education Savings Grant (CESG)**
www.hrsdc.gc.ca/en/learning/education_savings/public/cesg.shtml

**Registered Education Savings Plans**
www.hrsdc.gc.ca/en/hip/lld/cesg/publicsection/CESP/RESPs_General.shtm

**International Academic Mobility**
www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/iam.shtml

## Safe, healthy, fair, stable, cooperative and productive workplaces and effective international labour standards

### Labour

**Labour Program**
www.hrsdc.gc.ca/en/labour/index.shtml

**Federal Mediation and Conciliation Service**
www.hrsdc.gc.ca/en/labour_relations/index.shtml

**International Labour Affairs**
www.hrsdc.gc.ca/en/labour/labour agreements/index.shtml

**Workplace Innovation**
www.hrsdc.gc.ca/en/labour/workplace_information/index.shtml

**Work-life Balance and Ageing Workforce**
www.hrsdc.gc.ca/en/gateways/topics/wnc-gxr.shtml

**Collective Bargaining**
www.hrsdc.gc.ca/en/gateways/business/cluster/category/cb.shtml

**Workers' Compensation**
www.hrsdc.gc.ca/en/labour/workers_compensation/index.shtml

**Labour Standards**
www.hrsdc.gc.ca/en/labour/employment_standards/index.shtml

**Workplace Equity**
www.hrsdc.gc.ca/en/labour/equity/index.shtml

**Workplace Health and Safety**
www.hrsdc.gc.ca/en/labour/workplace_health/index.shtml

**Fire Protection**
www.hrsdc.gc.ca/en/labour/fire_protection/index.shtml

**Canadian Labour Law**
www.hrsdc.gc.ca/en/labour/labour_law/index.shtml

## Enhanced income security, access to opportunities and well-being for individuals, families and communities

### Social Investment

#### Seniors & Pensions

**Income Security Programs**
http://www.hrsdc.gc.ca/en/oas-cpp/index.shtml

**Old Age Security Program (OAS)**
http://www.hrsdc.gc.ca/en/isp/oas/oastoc.shtml

**The Canada Pension Plan (CPP)**
http://www.hrsdc.gc.ca/en/isp/cpp/cpptoc.shtml

**Seniors**
http://www.hrsdc.gc.ca/en/corporate/seniors/index.shtml

#### Disability Programs

**Office for Disability issues**
http://www.hrsdc.gc.ca/en/disability_issues/index.shtml

**Persons with Disabilities**
http://www.hrsdc.gc.ca/en/gateways/individuals/audiences/pd.shtml

**The Social Development Partnership Program (SDPP) – Disability Component**
http://www.hrsdc.gc.ca/en/community_partnerships/sdpp/call/disability_component/page00.shtml

#### The Canada Pension Plan – Disability

**Appeals**
http://www.hrsdc.gc.ca/en/isp/cpp/review.shtml

**Canada Pension Plan – Disability Benefits**
http://www.hrsdc.gc.ca/en/isp/cpp/disaben.shtml

#### Communities

**Social Development Partnerships Program (SDPP) - Communities Component**
http://www.hrsdc.gc.ca/en/community_partnerships/sdpp/index.shtml

**The Understanding the Early Years (UEY)**
http://www.hrsdc.gc.ca/en/hip/sd/300_UEYInfo.shtml

**Supporting Voluntary Sector**
http://www.hrsdc.gc.ca/en/hip/sd/06_vsi.shtml

**New Horizons for Seniors Program (NHSP)**
http://www.hrsdc.gc.ca/en/community_partnerships/seniors/index.shtml

**Intercountry Adoption Services**
http://www.hrsdc.gc.ca/en/community_partnerships/international_adoption/index.shtml

#### Children and Families

**Canada's Universal Child Care Plan**
http://www.universalchildcare.ca

**Federal/Provincial/Territorial Early Childhood Development Agreement**
http://www.ecd-elcc.ca

**Multilateral Framework on Early Learning and Child Care**
http://www.ecd-elcc.ca

**The National Child Benefit**
http://www.nationalchildbenefit.ca

#### Homelessness

**The Homelessness Partnering Strategy**
http://www.homelessness.gc.ca

## Achieve better outcomes for Canadians through service excellence

**Service Canada**
http://www.servicecanada.gc.ca/en/home.html

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